

U O B K A Y H I A N S E C U R I T I E S (M) S D N B H D

3 December 2020

The Board of Directors
Boilermech Holdings Berhad
Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Ground & 19th Floor,
Menara Keck Seng,
203 Jalan Bukit Bintang,
55100 Kuala Lumpur,
Wilayah Persekutuan,
Malaysia.

Tel : 603 2147 1888

Fax : 603 2147 1950

www.uobkayhian.com

Co. No. 194990-K

Dear Sirs,

BOILERMECH HOLDINGS BERHAD ("BOILERMECH" OR THE "OFFEREE")

NOTICE OF CONDITIONAL MANDATORY TAKE-OVER OFFER ("NOTICE")

1. INTRODUCTION

On 3 December 2020, QL Green Resources Sdn Bhd ("**QL Green**" or the "**Offeror**"), a wholly owned-subsiary of QL Resources Berhad ("**QL Resources**"), had entered into an unconditional share acquisition agreement with Leong Yew Cheong to acquire 20,640,000 ordinary shares in Boilermech ("**Boilermech Share(s)**") (representing 4.00% equity interest in Boilermech) for a total cash consideration of RM19,608,000 or RM0.95 per Boilermech Share ("**Acquisition**").

For information purposes, the Offeror is the largest substantial shareholder of Boilermech whilst the vendor of the Acquisition, Leong Yew Cheong is the Managing Director and substantial shareholder of Boilermech. As at the date of this Notice, the Offeror holds 227,826,936 Boilermech Shares, representing approximately 44.15% equity interest in Boilermech.

Upon completion of the Acquisition, the equity interest of the Offeror in Boilermech will increase from approximately 44.15% to approximately 48.15%. Accordingly, pursuant to Section 218(2) of the Capital Markets and Services Act 2007 ("**CMSA**") and Paragraph 4.01(b) of the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia ("**SC**") ("**Rules**"), the Offeror is obliged to extend a conditional mandatory take-over offer ("**Offer**") to acquire all the remaining Boilermech Shares which are not already held by the Offeror ("**Offer Share(s)**").

For the purpose of this Offer, the Offeror is not acting in-concert with any person pursuant to Section 216 of the CMSA. In addition, QL Resources is regarded as the ultimate offeror ("**Ultimate Offeror**") as the Offeror is a wholly-owned subsidiary of the Ultimate Offeror. The details of the shareholdings of the Ultimate Offeror and Offeror in the Offeree are set out in **Section 7** of this Notice.

2. THE OFFER

On behalf of the Offeror, UOB Kay Hian Securities (M) Sdn. Bhd. ("UOBKH") hereby serves this Notice to the Board of Directors of Boilermech ("Board") in accordance with subparagraph 9.10(1)(b)(i) of the Rules to acquire all the Offer Shares at a cash consideration of **RM0.95** per Offer Share ("Offer Price"), subject to the adjustments as set out in **Section 4.1** of this Notice.

The Offer will be made to each of the holders of the Offer Shares ("Holder(s)") equally and in respect of all of his or her Offer Shares, subject to the terms and conditions of the Offer as set out in **Section 4** of this Notice.

Holders who wish to accept the Offer should refer to the procedures for acceptance, which will be set out in the document outlining the terms and conditions of the Offer ("Offer Document"), together with the accompanying forms of acceptance and transfer ("Form of Acceptance and Transfer"), to be despatched in due course, subject to the notification from the SC that it has no further comments on the contents of the Offer Document being obtained.

3. INFORMATION ON THE ULTIMATE OFFEROR AND OFFEROR

3.1 Ultimate Offeror

QL Resources was incorporated in Malaysia on 25 April 1997 as a public limited company and was listed on 30 March 2000 on the Second Board of the Kuala Lumpur Stock Exchange ("KLSE") and transferred to the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") (formerly known as the Main Board of KLSE) on 22 January 2002.

QL Resources and its subsidiaries are principally involved in the marine products manufacturing, integrated livestock farming, palm oil activities and the operation of "FamilyMart" chain of convenience stores.

As at the date of this Notice, the issued share capital of QL Resources is RM620,024,896 comprising 2,433,657,139 ordinary shares.

As at the date of this Notice, the substantial shareholders of QL Resources and their respective shareholdings in QL Resources are as follows:-

	----- Direct ----->		<----- Indirect ----->	
	No. of shares	% ^{*1}	No. of shares	% ^{*1}
CBG (L) Pte Ltd	979,596,109	40.25	-	-
CBG (L) Foundation	-	-	979,596,109 ^{*2}	40.25
Farsathy Holdings Sdn Bhd	281,632,294	11.57	-	-
Chia Song Kun	1,316,250	0.05	999,829,721 ^{*3}	41.08
Chia Seong Pow	3,540,000	0.15	289,875,496 ^{*3}	11.91
Chia Seong Fatt	390,000	0.02	286,704,529 ^{*3}	11.78
Employees Provident Fund Board	201,494,390	8.28	-	-

Notes:-

*1 Computed based on 2,433,657,139 ordinary shares in issue in QL Resources

*2 Deemed interest via its interest in CBG (L) Pte Ltd

*3 Deemed interest via his and his spouse's interest in CBG (L) Foundation, the holding company of CBG (L) Pte Ltd, Song Bak Holdings Sdn. Bhd., his and his spouse's indirect interest in Ruby Technique Sdn Bhd ("RT") as well as his spouse's and children's shares in QL Resources

*4 Deemed interest via his and his spouse's beneficial interest in Farsathy Holdings Sdn Bhd, his and his spouse's indirect interest in RT, his spouse's and children's shares in QL Resources

As at the date of this Notice, the directors of QL Resources are as follows:

- (i) Chia Song Kun;
- (ii) Chia Song Kooi;
- (iii) Chia Seong Pow;
- (iv) Chia Song Swa;
- (v) Chia Lik Khai;
- (vi) Chia Seong Fatt (Alternate Director to Chia Seong Pow);
- (vii) Chia Mak Hooi (Alternate Director to Chia Song Swa);
- (viii) Cheah Juw Teck (Alternate Director to Chia Lik Khai);
- (ix) Prof. Datin Paduka Setia Dato' Dr. Aini Binti Ideris;
- (x) Kow Poh Gek;
- (xi) Chan Wai Yen, Millie;
- (xii) Cynthia Toh Mei Lee;
- (xiii) Low Teng Lum; and
- (xiv) Wee Beng Chuan.

The Ultimate Offeror is the holding company of the Offeror, which in turn, is the largest substantial shareholder of the Offeree.

3.2 Offeror

The Offeror was incorporated in Malaysia on 11 April 1981 as a private limited company under the name of Tong Her Marine Products Sdn. Bhd., and subsequently changed its name to QL Green Resources Sdn. Bhd. on 15 March 2010. The principal activities of the Offeror is investment holding.

The Offeror is a wholly-owned subsidiary of the Ultimate Offeror. As at the date of this Notice, the issued share capital of the Offeror is RM70,041,070 comprising 70,000,000 ordinary shares.

The directors of QL Green as at the date of this Notice are Chia Song Kun, Chia Lik Khai and Chia Seong Fatt.

The Offeror directly holds 227,826,936 Boilermech Shares, representing approximately 44.15% of the total issued shares in the Offeree as at the date of this Notice.

4. TERMS AND CONDITIONS OF THE OFFER

The principal terms and conditions of the Offer, unless otherwise directed or permitted to be varied by the SC, are set out below:-

4.1 Consideration for the Offer

Holders who accept the Offer ("**Accepting Holders**") shall be paid **RM0.95 in cash for each Offer Share**, in accordance with the terms to be set out in the Offer Document.

Notwithstanding the above, if Boilermech declares, makes or pays any dividend and/or other distributions of any nature whatsoever ("**Distributions**") whereby the entitlement date for such Distributions is on or after the date of this Notice but prior to the Closing Date (as defined under **Section 4.5(a)** of this Notice) and the Holders are entitled to retain such Distributions, the Offeror will reduce the Offer Price by the quantum of the Distributions per Offer Share.

For avoidance of doubt, no adjustment shall be made to the Offer Price in the event that the entitlement date for the Distributions is after the Closing Date (as defined under **Section 4.5(a)** of this Notice).

Holders may accept the Offer in respect of all or part of their Offer Shares. Fractions of a sen will not be paid to the Accepting Holders and cash consideration payable in respect of the valid acceptance of the Offer will be rounded down to the nearest whole sen.

The Offer Price is also the price at which the Offeror is willing to acquire the Offer Shares after taking into consideration, amongst others, the historical market prices of Boilermech Shares. The Offer Price of RM0.95 per Offer Share represents a premium to the following last transacted prices and the volume weighted average market prices ("**VWAP**") of Boilermech Shares:-

	Share price	Premium	
	RM	RM	%
Last transacted price of Boilermech Shares as at 2 December 2020, being the last trading day prior to the date of this Notice (" LTD ")	0.9500	-	-
5-day VWAP of Boilermech Shares up to and including the LTD	0.9189	0.03	3.38
1-month VWAP of Boilermech Shares up to and including the LTD	0.8366	0.11	13.55
3-month VWAP of Boilermech Shares up to and including the LTD	0.7492	0.20	26.80
6-month VWAP of Boilermech Shares up to and including the LTD	0.6798	0.27	39.75
1-year VWAP of Boilermech Shares up to and including the LTD	0.6423	0.31	47.91

(Source: Bloomberg)

4.2 Conditions of the Offer

The Offer is **conditional** upon the Offeror having received before the closing of the Offer, Valid Acceptances (as defined under **Section 4.4** of this Notice) (provided that such acceptances are not, where permitted, subsequently withdrawn) in respect of the Offer Shares, which would result in the Offeror holding in aggregate, more than 50% of voting shares in Boilermech (including such Boilermech Shares that are already acquired, held or entitled to be acquired or held by the Offeror) ("**Acceptance Condition**").

The Acceptance Condition shall be fulfilled no later than 5.00 p.m. (Malaysian time) on or before the Closing Date (as defined under **Section 4.5(a)** of this Notice), failing which the Offer shall lapse and all acceptances shall be returned to the Accepting Holders and the Offeror will thereafter cease to be bound by any such prior acceptances of the Offer.

4.3 Despatch of the Offer Document

Pursuant to the provisions of the Rules, unless otherwise directed or permitted by the SC to defer in doing so, the Offer will be made in conjunction with the posting of the Offer Document, which will not be later than 21 days from the date of the sending of this Notice ("**Posting Date**"). An application will be made by UOBKH, on behalf of the Offeror to the SC for an extension of time if the Posting Date is expected to be deferred by the Offeror beyond the requisite 21 days.

The Offeror will post the Offer Document to the Board and all Holders whose names appear on the Record of Depositors of Boilermech as at the latest practicable date prior to the Posting Date.

Where a competing take-over offer is made at any time between the Posting Date and the Closing Date (as defined under **Section 4.5(a)** of this Notice), the Posting Date shall be deemed to be the date the competing takeover offer document was posted.

4.4 Warranty

The Offer Shares are to be acquired by the Offeror on the basis of an acceptance of the Offer by a Holder in accordance with the provisions of the Offer Document ("**Valid Acceptance(s)**"). The Valid Acceptance will be deemed to constitute an irrevocable and unconditional warranty by the Accepting Holder that the Offer Shares, to which the Valid Acceptance relates, are sold:-

- (a) free from all moratorium, claims, charges, liens, encumbrances, options, rights of pre-emption, third party rights and equities from the date of the Valid Acceptance; and
- (b) with all rights, benefits and entitlements attaching thereto, including the rights to all dividends, rights, allotments and/or any other distributions declared, paid or made on or after the date of this Notice, subject to the adjustment(s) by reason of any Distributions as set out in **Section 4.1** of this Notice.

4.5 Duration of the Offer

(a) Original duration

Provided that the Offeror does not withdraw the Offer with the SC's prior written approval and every person is released from any obligation incurred under the Offer, the Offer will remain open for acceptance from the Posting Date for a period of not less than 21 days ("**First Closing Date**") or such later date(s) as UOBKH may announce, on behalf of the Offeror ("**Closing Date**").

(b) Revision of the Offer

Pursuant to paragraph 12.03 of the Rules, if the Offer is revised after the Posting Date, the Offeror will:-

- (i) announce such revision together with the following information:-
 - (aa) the revised offer price; and
 - (bb) the price paid or agreed to be paid and the number of voting shares or voting rights purchased or agreed to be purchased, which lead to the revision;

- (ii) post the written notification of the revised take-over offer to all Holders, including all the Holders who have previously accepted the Offer, no later than the 46th day from the date of the Offer Document; and
- (iii) keep the Offer open for acceptance for a period of at least another 14 days from the date of posting of the written notification of the revised take-over offer to all Holders.

Where any of the terms of the Offer are revised, Holders who have previously accepted the Offer shall also be entitled to receive the revised consideration that is to be paid or provided for the acceptance of the Offer.

The Offer may not be revised after the 46th day from the Posting Date.

(c) Extension of the Offer

Any extension of the date and time for acceptance of the Offer by the Offeror will be announced by UOBKH, on behalf of the Offeror, at least 2 days before the Closing Date. Such announcement will state the next closing date of the Offer. Notices of such extensions will be posted to the Holders accordingly.

(d) Closing of the Offer

Where the Offer has become or is declared unconditional as to the acceptances of the Offer on any day failing on or before the 46th day from the Posting Date, the Offer will remain open for acceptances for at least 14 days from the date on which the Offer becomes and is declared unconditional which, in any event, shall not be later than the 60th day from the Posting Date.

Where the Offer has become or is declared unconditional as to the acceptances of the Offer on any day failing after the 46th day from the Posting Date, the Offer will remain open for acceptances for 14 days from the date on which the Offer becomes and is declared unconditional which, in any event, shall not be later than 74th day from the Posting Date.

Notwithstanding the above, the Offer shall be deemed to be closed prior to the Closing Date when the Offeror receives acceptances for all the Offer Shares and the Offeror has made an announcement in accordance with **Section 4.9** of this Notice.

4.6 Rights of withdrawal by an Accepting Holder

- (a) All Valid Acceptance of the Offer by the Accepting Holder **SHALL BE IRREVOCABLE**. However, any Accepting Holder is entitled to withdraw his/her/its acceptance in the following circumstances:
 - (i) if the Offeror fails to comply with any of the requirements set out in **Section 4.9(a)** of this Notice by the close of trading of Bursa Securities on the market day following the day on which the Offer is closed, becomes or is declared unconditional as to acceptances, revised or extended ("**Relevant Day**"); and
 - (ii) if the Offer is extended, any Accepting Holder is entitled to withdraw his/her/its acceptance within 21 days from the First Closing Date unless prior to such withdrawal, the Offer has become or is declared unconditional as to acceptances.

- (b) Notwithstanding the **Section 4.6(a)(i)** of this Notice, the SC may terminate the above right of withdrawal not less than 8 days from:
- (i) the Offeror complying with the requirements of **Section 4.9(a)** of this Notice; and
 - (ii) the Offeror confirming in a statement to the public by way of press notice and announced via Bursa Securities' Listing Information Network (also known as Bursa LINK) ("**Bursa LINK**") and to the SC in writing, that the Offer is still unconditional as to acceptances.
- (c) However, the rights of any Holder who has already withdrawn his/her/its acceptances pursuant to **Section 4.6(a)** of this Notice shall not be prejudiced by the termination of such right of withdrawal by the SC.

4.7 Withdrawal of the Offer by the Offeror

The Offeror may only withdraw the Offer with the prior written approval of the SC.

4.8 Method of settlement

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 save for the Offeror's rights to reduce the consideration of the Offer Shares as set out in **Section 4.1** of this Notice, settlement of the consideration to which any Accepting Holder is entitled under the Offer 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, or claim to be, entitled against the Accepting Holder. This, however, is without prejudice to the Offeror's rights to make any claim against the Accepting Holder after such full settlement in respect of a breach of the warranty as set out in **Section 4.4** of this Notice.

The settlement of the consideration for the Offer Shares will be effected via remittance in the form of cheque(s), banker's draft(s) and/or cashier's order(s) which will be despatched by ordinary mail to the Accepting Holders (or their designated agents, as they may direct) in respect of Valid Acceptance, at their own risk, within 10 days from:

- (a) the date the Offer becomes or is declared wholly unconditional, if the Valid Acceptances are received during the period when the Offer is still conditional; or
- (b) the date of the Valid Acceptances, if the Valid Acceptances are received during the period after the Offer is or has become or has been declared wholly unconditional.

Any Holder(s), including without limitation, custodians, nominees and trustees, who are citizens or national of, or residents in, or have registered addresses in jurisdictions outside Malaysia, or incorporated or registered with, or approved by any authority outside Malaysia or non-residents within the definition prescribed under the Financial Services Act 2013 ("**Non-Resident Holder(s)**") are advised that settlement for acceptance of the Offer will be made in Ringgit Malaysia ("**RM**"). Non-Resident Holder(s) who wish to convert their consideration into foreign currency for repatriation may do so on their own after payment of the appropriate fees and/or charges levied by the respective financial institutions.

4.9 Announcement of acceptance

- (a) The Offeror shall inform the SC in writing and announce via Bursa LINK before 9.00 a.m. (Malaysian time) on the Relevant Day, the following information:-
- (i) the position of the Offer, that is, as to whether the Offer is closed, becomes or is declared unconditional as to acceptances, revised or extended; and
 - (ii) the total number of Offer Shares:-
 - (aa) for which acceptance of the Offer have been received after the Posting Date;
 - (bb) held by the Offeror as at the Posting Date; and
 - (cc) acquired or agreed to be acquired by the Offeror during the offer period but after the Posting Date,and must specify the percentage of Offer Shares represented by these numbers.
- (b) In computing the acceptance of 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 include the following:-
- (i) release of an announcement by UOBKH or the Offeror's advertising agent(s) to the press; or
 - (ii) 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.

4.10 Purchases in the open market

Should the Offeror purchase or agree to purchase any of the Offer Shares during the offer period at a consideration that is higher than the Offer Price, the Offeror shall increase the Offer Price to be not less than the highest price (excluding stamp duty and commission) paid or agreed to be paid by such Offeror for the Offer Shares during the offer period.

4.11 General

- (a) All communications, notices, documents and payments to be delivered or sent to the Holders (or their designated agent(s) as they may direct) will be despatched by ordinary mail to the Holders' registered Malaysian addresses last maintained with Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**") at their own risk. Non-Resident Holders with no registered Malaysian addresses 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 proved, delivery of the communication, notice, document or payment will be effected by properly addressing, prepaying and posting by ordinary mail the communication, notice, document or payment and it 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 Valid Acceptance received under the Offer will be construed in accordance with and governed by Malaysian law. It will be provided in the Offer Document that the Offeror and Holders shall submit to the exclusive jurisdiction of the courts of Malaysia.
- (c) Holders may accept the Offer made to them in respect of all or part of their Offer Shares. The Accepting Holder shall not exceed his/her/its total holding of Offer Shares, failing which the Offeror has the right to treat such acceptance as invalid. Nevertheless, the Offeror also reserve the right to treat any acceptance of a Holder exceeding his/her/its total holding of Offer Shares as valid for and to the extent of his/her/its total holding of Offer Shares.
- (d) The Form of Acceptance and Transfer which will accompany the Offer Document contain the following:-
 - (i) provisions for the acceptance of the Offer and the transfer of the Offer Shares to the Offeror or their appointed nominee(s), if any;
 - (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), if any.

No acknowledgement of the receipt of the Form 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 the Offeree) will be borne by the Offeror. Malaysian stamp duty and Malaysian transfer fees, if any, resulting from the Valid Acceptances of the Offer will also be borne by the Offeror. Accepting Holders, will, however, bear all cost and expenses incidental to their acceptances of the Offer other than the aforesaid costs, expenses, stamp duty and transfer fees borne by the Offeror.

For avoidance of doubt, the payment of any transfer fees, taxes, duties, costs, expenses or other requisite payments due in any jurisdiction outside Malaysia or the payment of any levy for the repatriation of capital or income tax shall not be borne by the Offeror.

- (f) Any accidental omission to despatch the Offer Document and the Form of Acceptance and Transfer to any person to whom the Offer is made shall not invalidate the Offer in any way.

5. LISTING STATUS OF BOILERMECH, COMPULSORY ACQUISITION AND RIGHTS OF MINORITY SHAREHOLDERS

5.1 Listing status of Boilermech

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 ("Public Spread Requirement"). 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 that fails to maintain the Public Spread Requirement may request for an extension of time to rectify the situation in the manner as may be prescribed by Bursa Securities. Where no extension of time is granted by Bursa Securities, Bursa Securities may take or impose any type of action or penalty pursuant to Paragraph 16.19 of the Listing Requirements for a breach of Paragraph 8.02(1) of the Listing Requirements and may, at its discretion, suspend trading in the securities of the listed issuer pursuant to Paragraph 16.02(1) of the Listing Requirements. Notwithstanding this, the non-compliance of the Public Spread Requirement would not automatically result in the delisting of a listed issuer.

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 pursuant to Paragraph 9.19(48) of the Listing Requirements. Upon such immediate announcement, Bursa Securities shall,

- (a) in the case where the Offeror does not intend to maintain the listing status of the listed issuer, suspend the trading in the listed issuer's securities immediately upon the expiry of 5 market days from the close of the offer period, in accordance with Paragraph 16.02(3) of the Listing Requirements; or
- (b) in the case where the Offeror intends to maintain the listing status of the listed issuer, suspend the trading in the listed issuer's securities immediately upon the expiry of 30 market days from the date of the said immediate announcement.

The Offeror intends to maintain the listing status of Boilermech on the Main Market of Bursa Securities.

In the event that 90% or more of total listed shares of Boilermech (excluding treasury shares) are held by the Offeror, the Offeror shall immediately announce to Bursa Securities the same and state its intention to maintain the listing status of Boilermech. Upon such immediate announcement, Bursa Securities shall suspend the trading of the securities of Boilermech upon the expiry of 30 market days from the date of the immediate announcement. In this regard, the suspension will only be uplifted upon Boilermech's full compliance with the Public Spread Requirement or as may be determined by Bursa Securities.

Accordingly, in the event that Boilermech does not comply with the Public Spread Requirement as a result of the Offer, the Offeror will work together with Boilermech to explore various options or proposals within 3 months from the Closing Date or such extended timeframe as allowed by the relevant authorities to facilitate Boilermech to comply with the Public Spread Requirement. As at the date of this Notice, no arrangements on the above have been made.

Any action taken to address the Public Spread Requirement may require the approvals of the relevant authorities and/or the shareholders of Boilermech. 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.

Holders should note that whilst the Offeror intends to work together with Boilermech to attempt to rectify any shortfall in the Public Spread Requirement of Boilermech, there can be no assurance that the Public Spread Requirement of Boilermech can be rectified within the stipulated time frame. In the event that Boilermech does not meet the Public Spread Requirement within the stipulated timeframe, the Offeror and/or Boilermech may seek for an extension of time from Bursa Securities to do so. However, Bursa Securities reserves the absolute right to grant an extension or reject the said application.

5.2 Compulsory acquisition

For the purposes of Sections 222, 223 and 224 of the CMSA as referred to in **Sections 5.2 and 5.3** of this Notice, "share" shall mean a voting share in a company, or a unit in an entity specified by the SC, and shall include convertible securities (which includes warrants) as if those securities were shares of a separate class of a company and any reference to a holder of shares, and to shares being allotted, is to be read accordingly.

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 acceptance 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 shareholder provided that the notice:-

- (i) is issued within 2 months from the date of achieving the conditions under Sections 221(1)(a) and 221(1)(b) of the CMSA; and
- (ii) 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 acceptance shall not include shares already held at the date of the take-over offer by the offeror or person(s) acting in concert.

The Offeror does not intend to invoke the provisions of Section 222(1) of the CMSA to compulsorily acquire any remaining Offer Shares from the Holders who have not accepted the Offer ("Dissenting Holders") even if the conditions stipulated in Section 222(1) of the CMSA are fulfilled.

5.3 Rights of minority shareholders

Notwithstanding the above and subject to Section 224 of the CMSA, Section 223 of the CMSA provides that if the Offeror receives Valid Acceptances resulting in the Offeror holding not less than nine-tenths (9/10) in the value of all the shares in Boilermech on or before the Closing Date, a Dissenting Holder may exercise his/her/its rights under Section 223(1) of the CMSA within a period to be specified by the Offeror which shall be no less than 3 months after the Closing Date, by serving a notice on the Offeror to require the Offeror to acquire his/her/its Offer Shares on the same terms to be set out in the Offer Document or such terms as may be agreed between the Offeror and such Dissenting Holder.

If a Dissenting Holder invokes the provisions of Section 223(1) of the CMSA, the Offeror shall acquire such Offer Shares in accordance with the provisions of the CMSA, subject to the provisions of Section 224 of the CMSA. In accordance with Section 224(3) of the CMSA, when a Dissenting Holder exercises his/her/its rights under Section 223(1) of the CMSA, the court may, on an application made by such Dissenting Holder 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 Holders a notice in the manner prescribed under the Rules of the rights exercisable by the Dissenting Holders under Section 223(1) of the CMSA ("**Notice to Dissenting Holders**"), within 1 month of the time the Offeror having acquired not less than nine-tenths (9/10) in the value of all the shares in Boilermech.

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

6. FINANCIAL RESOURCES OF THE OFFEROR

The Offeror has confirmed that QL Green is able to implement the Offer in full and the Offer would not fail due to insufficient financial capability, and that every Holder who wishes to accept the Offer will be paid in full by cash.

UOBKH confirms that the resources available to the Offeror is sufficient to satisfy the full acceptance under the Offer.

7. DISCLOSURE OF INTERESTS IN BOILERMECH

In accordance with subparagraphs 9.10(3)(d) and 9.10(3)(e) of the Rules, the Offeror hereby disclose that, as at the date of this Notice:-

- (a) the direct and/or indirect interests of the Ultimate Offeror and the Offeror in Boilermech are as follows:-

	Direct		Indirect	
	No. of Boilermech Shares	% ¹	No. of Boilermech Shares	% ¹
Ultimate Offeror QL Resources	-	-	227,826,936 ²	44.15
Offeror QL Green	227,826,936	44.15	-	-

Notes:-

- *1 Computed based on 516,000,000 Boilermach Shares in issue
- *2 Deemed interest by virtue of its interest in QL Green

- (b) the Offeror has not received any irrevocable undertaking from any Holder to accept the Offer;
- (c) the Offeror has not entered into or been granted with any option to acquire the Offer Shares; and
- (d) as at the date of this Notice, there is no existing or proposed agreement, arrangement or understanding in relation to the Offer Shares between the Offeror and any Holder.

8. RESPONSIBILITY STATEMENT

The Offeror has seen and approved the issuance of this Notice. The Offeror accepts full responsibility for the accuracy of the information given in this Notice and confirm that, after making all reasonable enquiries and to the best of its knowledge, the facts stated and opinions expressed in this Notice are fair and accurate after due and careful consideration and that no material facts have been omitted in this Notice.

9. PUBLIC RELEASE

In accordance with subparagraphs 9.10(1)(a), 9.10(1)(b)(ii) and 9.10(1)(b)(iii) 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 would acknowledge receipt by signing and returning to us the duplicate of this Notice.

Yours faithfully,
For and behalf of
UOB KAY HIAN SECURITIES (M) SDN BHD



TAN MENG KIM
Managing Director
Capital Markets



GOH YAO YEN
Director
Co-Head, Corporate Finance

UOB KayHian

TO:- UOB KAY HIAN SECURITIES (M) SDN BHD

We, Boilermach Holdings Berhad, hereby acknowledge receipt of this Notice of Conditional Mandatory Take-Over Offer by the Offeror dated 3 December 2020.

On behalf of the board of directors of Boilermach Holdings Berhad:-

Authorised Signatory

: 

Name

: GAN CHIH SOON

Designation

: DIRECTOR

Date

: 3 DECEMBER 2020

