

**THIS NOTIFICATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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



**SEG INTERNATIONAL BHD**

(145998-U)

(Incorporated in Malaysia under the Companies Act, 1965)

**NOTIFICATION TO SHAREHOLDERS AND WARRANTHOLDERS**

**IN RELATION TO THE**

**RECEIPT OF NOTICE OF UNCONDITIONAL TAKE-OVER OFFER DATED 25 APRIL 2012 FROM  
RHB INVESTMENT BANK BERHAD**

**ON BEHALF OF**

**PINNACLE HERITAGE SOLUTIONS SDN BHD**



## SEG INTERNATIONAL BHD

(145998-U)

(Incorporated in Malaysia under the Companies Act, 1965)

**Registered address:**

6<sup>th</sup> Floor, SEGi University College  
No. 9, Jalan Teknologi, Taman Sains Selangor  
Kota Damansara, PJU 5  
47810 Petaling Jaya, Selangor Darul Ehsan

2 May 2012

### Board of Directors

Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas (*Independent Non-Executive Chairman*)  
Dato' Sri Clement Hii Chii Kok (*Group Managing Director*)  
Lee Kok Cheng (*Deputy Group Managing Director*)  
Hew Moi Lan (*Executive Director / Chief Executive Officer*)  
Datuk Chee Hong Leong (*Independent Non-Executive Director*)  
Amos Siew Boon Yeong (*Independent Non-Executive Director*)  
Nicholas Rupert Heylett Bloy (*Non-Independent Non-Executive Director*)  
Tan Chow Yin (*Non-Independent Non-Executive Director*)  
Goh Leng Chua (*Independent Non-Executive Director*)

**To: The Shareholders and Warrantholders of SEG International Bhd**

Dear Sir/Madam.

**UNCONDITIONAL TAKE-OVER OFFER BY RHB INVESTMENT BANK BERHAD ON BEHALF OF PINNACLE HERITAGE SOLUTIONS SDN BHD (THE "OFFEROR") TO ACQUIRE:**

- (I) **ALL THE REMAINING ORDINARY SHARES OF RM0.25 EACH IN SEG INTERNATIONAL BHD ("SEGi" OR "OFFEREE") ("SEGi SHARES") (EXCLUDING ALL THE TREASURY SHARES HELD BY SEGi) NOT ALREADY OWNED BY THE OFFEROR AND PERSONS ACTING IN CONCERT WITH IT ("PACS");**
- (II) **ALL THE OUTSTANDING WARRANTS 2010/2015 ISSUED BY SEGi ("WARRANTS") NOT ALREADY OWNED BY THE OFFEROR AND ITS PACS; AND**
- (III) **ALL THE NEW SEGi SHARES THAT MAY BE ISSUED PRIOR TO THE CLOSING OF THE OFFER (AS DEFINED HEREINAFTER) ARISING FROM THE EXERCISE OF THE OUTSTANDING WARRANTS,**

**FOR A CASH OFFER PRICE OF RM1.714 PER SEGi SHARE ("OFFER SHARES") AND RM1.214 PER WARRANT ("OFFER WARRANTS")**

**(COLLECTIVELY REFERRED TO AS "OFFER")**

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### 1. INTRODUCTION

The Board of Directors of SEGi (the "**Board**") wishes to inform you that SEGi had on 25 April 2012 received the notice of unconditional take-over offer ("**Notice**") from RHB Investment Bank Berhad on behalf of the Offeror, informing the Board that the Offeror intends to undertake an unconditional take-over offer to acquire the Offer Shares and Offer Warrants. The Offer Shares and Offer Warrants are to be collectively referred to as "**Offer Securities**".

The Board had announced the receipt of the Notice to Bursa Malaysia Securities Berhad on the day of receipt of the said Notice.

On 26 April 2012, the Board also announced that SEGi does not intend to seek any other person to make a competing or alternative take-over offer for the Offer Securities.

## **2. APPOINTMENT OF INDEPENDENT ADVISER**

In accordance with the Malaysian Code on Take-Overs and Mergers, 2010, the non-interested directors will appoint an independent adviser to advise the non-interested directors and minority shareholders of SEGi on the reasonableness of the Offer. The non-interested directors will inform holders of the Offer Securities of their recommendation on the Offer together with the advice of the independent adviser, within ten (10) days from the posting of the Offer Document.

## **3. DOCUMENTS RELATING TO THE OFFER**

The purpose of this Notification is to inform you of the Offer and does not constitute an offer.

The document outlining the details of the Offer ("**Offer Document**") will be despatched to you by RHB Investment Bank Berhad on behalf of the Offeror within twenty-one (21) days from the date of the Notice.

An independent advice circular from the independent adviser will be despatched to you within ten (10) days from the date of posting of the Offer Document.

## **4. DIRECTORS' RESPONSIBILITY STATEMENT**

The Board has seen the contents of this Notification. They have individually and collectively, accepted full responsibility for the accuracy of the information contained in this Notification whereby the responsibility of the Board in respect of the information on the Notice is limited to ensure that such information is accurately reproduced in this Notification. The Board has also confirmed that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other material 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.**

Yours faithfully  
For and on behalf of the Board of  
**SEG INTERNATIONAL BHD**

**Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas**  
Chairman

Enclosure

**NOTICE OF UNCONDITIONAL TAKE-OVER OFFER  
DATED 25 APRIL 2012**

25 April 2012

Board of Directors  
SEG International Bhd  
No. 9, Jalan Teknologi  
Taman Sains Selangor  
Kota Damansara, PJU 5  
47810 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs,

**SEG INTERNATIONAL BHD (“SEGi” OR “OFFEREE”)**

**NOTICE OF UNCONDITIONAL TAKE-OVER OFFER (“NOTICE”)**

**1. INTRODUCTION**

1.1 On 29 March 2012, Pinnacle Heritage Solutions Sdn Bhd (“PHS”) had acquired from Cerahsar Sdn Bhd a total of 114,800,000 ordinary shares of RM0.25 each in SEGi (“**SEGi Shares**”), representing approximately 21.53% of the issued and paid-up share capital of SEGi (excluding all the treasury shares held by SEGi) and 59,806,200 warrants 2010/2015 issued by SEGi (“**Warrants**”), for a total cash consideration of RM196,630,698 and RM72,484,459 respectively, at an effective price of RM1.713 per SEGi Share and RM1.212 per Warrant. The acquisition was effected via a direct business transaction.

1.2 Subsequently, on 2 April 2012, PHS had acquired from Segmen Entiti Sdn Bhd a total of 33,492,200 SEGi Shares, representing approximately 6.28% of the issued and paid-up share capital of SEGi (excluding all the treasury shares held by SEGi), for a total cash consideration of RM57,381,498, at an effective price of RM1.713 per SEGi Share.

On even date, PHS had acquired from Datuk Chee Hong Leong a total of 180,800 SEGi Shares, representing approximately 0.03% of the issued and paid-up share capital of SEGi (excluding all the treasury shares held by SEGi) and 1,253,000 Warrants, for a total cash consideration of RM309,168 and RM1,516,130 respectively, at an effective price of RM1.71 per SEGi Share and RM1.21 per Warrant.

These acquisitions were effected via direct business transactions.

1.3 On 25 April 2012, PHS had acquired from Dato' Sri Clement Hii Chii Kok @ Hii Chee Kok (“**DSC**”), a total of 18,000,000 Warrants, for a total cash consideration of RM21,780,000 at an effective price of RM1.21 per Warrant (“**Acquisition of Warrants**”). The acquisition was effected via a direct business transaction.

1.4 Upon completion of the Acquisition of Warrants, PHS holds 148,473,000 SEGi Shares, representing approximately 27.84% of the issued and paid-up share capital of SEGi (excluding all the treasury shares held by SEGi) and 79,059,200 Warrants whilst DSC holds 158,840,480 SEGi Shares, representing approximately 29.78% of the issued and paid-up share capital of SEGi (excluding all the treasury shares held by SEGi) and 58,183,600 Warrants.

- 1.5 Immediately following the Acquisition of Warrants, PHS had entered into a shareholders' agreement with DSC, to regulate their rights and obligations as shareholders of SEGi ("**Shareholders' Agreement**").
- 1.6 As at the date of this Notice, PHS and DSC, being persons acting in concert (in accordance with Section 216 of the Capital Markets & Services Act, 2007 ("**CMSA**") ("**PACs**") as a consequence of the Shareholders' Agreement, collectively hold 307,313,480 SEGi Shares, representing approximately 57.62% of the issued and paid-up share capital of SEGi (excluding all the treasury shares held by SEGi) and 137,242,800 Warrants, thus triggering a mandatory take-over obligation under Section 9 of the Malaysian Code on Take-overs and Mergers, 2010 ("**Code**").
- 1.7 On behalf of PHS ("**Offeror**"), RHB Investment Bank Berhad ("**RHB Investment Bank**") wishes to notify you of the Offeror's obligation to undertake a take-over offer to acquire:-
- (a) all the remaining SEGi Shares (excluding all the treasury shares held by SEGi) not already owned by the Offeror and its PACs;
  - (b) all the outstanding Warrants not already owned by the Offeror and its PACs; and
  - (c) all the new SEGi Shares that may be issued prior to the closing of the Offer (as defined hereinafter) arising from the exercise of the outstanding Warrants,
- for a cash offer price of RM1.714 per SEGi Share ("**Offer Shares**") and RM1.214 per Warrant ("**Offer Warrants**") ("**Offer**").
- The Offer Shares and Offer Warrants are collectively referred to as the "**Offer Securities**".
- 1.8 Navis Asia Fund VI G.P., Ltd ("**NAF Ltd**") and Navis MGO I GP Ltd ("**NMGO Ltd**") are collectively the ultimate offerors for the Offer ("**Ultimate Offerors**").
- 1.9 The PACs of PHS are the Ultimate Offerors, SmartUni 1 Ltd ("**SU 1**"), SmartUni 2 Ltd ("**SU 2**") and DSC. Their shareholdings in SEGi are set out in Section 6 of this Notice.

## 2. THE OFFER

On behalf of the Offeror, we hereby serve this Notice on you in accordance with Section 11 of the Code to acquire all the remaining Offer Securities (excluding all the treasury shares held by SEGi) for a cash consideration of RM1.714 for each Offer Share ("**Share Offer Price**") and RM1.214 for each Offer Warrant ("**Warrant Offer Price**") (the Share Offer Price and Warrant Offer Price are collectively referred to as the "**Offer Price**").

The holders of the Offer Securities ("**Holders**") who wish to accept the Offer will have to refer to the procedures for acceptances which will be detailed in the document outlining the Offer ("**Offer Document**") together with the Form of Acceptance and Transfer to be posted to them in due course. The Offer will be made to each of the Holders for all of his Offer Securities, subject to the terms and conditions set out in the Offer Document.

### 3. INFORMATION ON THE OFFEROR

PHS was incorporated in Malaysia on 2 March 2012 as a private limited company under the Companies Act, 1965. PHS is an investment holding company.

The authorised share capital of PHS as at the date of this Notice is RM1,000,000,000 comprising 1,000,000,000 ordinary shares of RM1.00 each in PHS ("**PHS Shares**"), of which 349,550,463 PHS Shares have been issued and credited as fully paid-up.

The substantial shareholders of PHS (holding 5% or more) as at the date of this Notice are as follows:-

Name	Direct		Indirect	
	No. of PHS Shares	%	No. of PHS Shares	%
SU 1	292,550,462	83.69	-	-
SU 2	57,000,001	16.31	-	-
NAF Ltd	-	-	292,550,462	83.69 <sup>(a)</sup>
NMGO Ltd	-	-	57,000,001	16.31 <sup>(b)</sup>
Navis Capital Partners Limited ("NCP")	-	-	349,550,463	100.00 <sup>(c)</sup>
Richard Elletson Foyston	-	-	349,550,463	100.00 <sup>(d)</sup>
Nicholas Rupert Heylett Bloy	-	-	349,550,463	100.00 <sup>(d)</sup>
Rodney Chadwick Muse	-	-	349,550,463	100.00 <sup>(d)</sup>
HAL Investments (Asia) Ltd	-	-	349,550,463	100.00 <sup>(d)</sup>
HAL Holding N.V.	-	-	349,550,463	100.00 <sup>(e)</sup>
HAL Trust	-	-	349,550,463	100.00 <sup>(f)</sup>

**Notes:-**

- <sup>(a)</sup> Deemed interested by virtue of it being the general partner of Navis Asia Fund VI G.P., L.P. (an exempted limited partnership under the laws of the Cayman Islands), which in turn is the general partner of Navis Asia Fund VI, L.P., (an exempted limited partnership under the laws of the Cayman Islands) ("**NAF Fund**"). NAF Ltd holds 100% of the equity interest in SU 1 on trust for and on behalf of NAF Fund.
- <sup>(b)</sup> Deemed interested by virtue of it being the general partner of Navis Malaysia Growth Opportunities Fund I, L.P., (an exempted limited partnership under the laws of the Cayman Islands) ("**NMGO Fund**"). NMGO Ltd holds 100% of the equity interest in SU 2 on trust for and on behalf of NMGO Fund.
- <sup>(c)</sup> Deemed interested by virtue of its interest in NAF Ltd and NMGO Ltd.
- <sup>(d)</sup> Deemed interested by virtue of their interest in NCP.
- <sup>(e)</sup> Deemed interested by virtue of its interest in HAL Investments (Asia) Ltd.
- <sup>(f)</sup> Deemed interested by virtue of its interest in HAL Holding N.V..

### 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 Securities Commission Malaysia ("**SC**"), are as follows:-

#### 4.1 Consideration

The cash consideration for the Offer is RM1.714 per Offer Share and RM1.214 per Offer Warrant.

Notwithstanding the above, if SEGi declares, makes or pays any dividend and/or distribution, the entitlement date of which is on or after the date of this Notice but before the closing of the Offer, and the Holder is entitled to retain such dividend and/or distribution declared, made or paid, the Share Offer Price will be reduced by the quantum of the net dividend and/or distribution per Offer Share which the Holders are entitled to retain. There will be no change to the Warrant Offer Price in such instance.

The Holders may accept the Offer in respect of all or part of their Offer Securities.

Fractions of a sen will not be paid to any Holder who has accepted the Offer (“**Accepting Holder**”). The entitlement of the Accepting Holder to the cash payment (based on his/her total valid acceptances) will be rounded up to the nearest whole sen.

The Share Offer Price represents a discount to the following market prices of SEGi Shares as traded on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) up to and including 24 April 2012, being the last trading day prior to the date of this Notice:-

	Market price	(Discount) to market prices	
	RM	RM	%
Closing price on 24 April 2012	1.800	(0.086)	(4.78)
Five (5)-day volume weighted average market price (“ <b>VWAMP</b> ”)	1.784	(0.070)	(3.92)
One (1)-month VWAMP	1.767	(0.053)	(3.00)
Three (3)-month VWAMP	1.815	(0.101)	(5.56)
Six (6)-month VWAMP	1.823	(0.109)	(5.98)

(Source: Bloomberg)

The Share Offer Price also represents:-

- a price-to-earnings-multiple of 12.15 times based on the audited consolidated basic earnings per SEGi Share for the financial year ended (“**FYE**”) 31 December 2011 of 14.11 sen; and
- a price-to-book multiple of 5.19 times based on the audited consolidated net asset per SEGi Share as at 31 December 2011 of RM0.33.

The Warrant Offer Price represents a discount to the following market prices of Warrants as traded on the Main Market of Bursa Securities up to and including 24 April 2012, being the last trading day prior to the date of this Notice:-

	Market price	(Discount) to market prices	
	RM	RM	%
Closing price on 24 April 2012	1.270	(0.056)	(4.41)
Five (5)-day VWAMP	1.271	(0.057)	(4.49)
One (1)-month VWAMP	1.285	(0.071)	(5.53)
Three (3)-month VWAMP	1.364	(0.150)	(11.00)
Six (6)-month VWAMP	1.330	(0.116)	(8.72)

(Source: Bloomberg)

## 4.2 Conditions of the Offer

As at the date of this Notice, the Offeror and its PACs hold in aggregate more than 50% of the issued and paid-up share capital of SEGi. In this regard, the Offer is not conditional upon any minimum number of valid acceptances being received.

## 4.3 Approval Sought

The approval of the SC under the Equity Requirement for Public Companies is required and it will be sought by the Offeror for purposes of the Offer.



#### **4.4 Despatch of the Offer Document**

Unless otherwise directed or permitted by the SC, the Offer Document, which contains the specific terms and conditions of the Offer, will be despatched to all the Holders within twenty-one (21) days from the date of this Notice.

Subject to Section 4.11(a) of this Notice, the Offer Document will be posted to the Board of Directors of SEGi and the Holders whose names appear in the Record of Depositors of SEGi as at the latest practicable date prior to the posting of the Offer Document.

#### **4.5 Warranty**

The Offer Securities are to be acquired based on the acceptance of the Offer by a Holder 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 Securities, to which such acceptance relates, are sold:-

- (a) free from all moratoriums, claims, charges, liens, pledges, options, rights of pre-emption, third party rights and other security interests and/or encumbrances and/or equities whatsoever from the date of valid acceptance; and
- (b) with all the rights, benefits and entitlements attached thereto, including the right to all dividends and/or distributions declared, made or paid on or after the date of this Notice, subject to Section 4.1 of this Notice.

#### **4.6 Duration and Revision of the Offer**

- (a) Except insofar as the Offer is withdrawn by the Offeror with the written consent of the SC and every person is released from any obligation incurred thereunder, the Offer shall remain open for acceptances until 5.00 p.m. (Malaysian time) for a period of not less than twenty-one (21) days from the date of posting of the Offer Document (“**Posting Date**”), or such later date(s) as may be extended or revised by the Offeror in accordance with the Code (“**Closing Date**”). If the Offer is extended, the Offer shall remain open for acceptances for at least fourteen (14) days from the extended Closing Date. 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 is posted.
- (b) If the Offer is revised after the Posting Date, it will remain open for acceptances for a period of at least fourteen (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 are revised, the benefits of the revised Offer will be made available to the Holders who have previously accepted the Offer.

The Offer may not be revised after the forty-sixth (46<sup>th</sup>) day from the Posting Date or the date the competing offer document was posted, if any.

- (c) In any announcement of an extension of time for acceptance of the Offer, the next expiry date of the Offer shall be stated in such announcement to be made by RHB Investment Bank, on behalf of the Offeror, no later than two (2) days before the Closing Date. Notices of such extension will be posted to the Holders accordingly.
- (d) As the Offer is not conditional as to acceptances, the Closing Date shall not be later than the sixtieth (60<sup>th</sup>) day from the Posting Date.

#### **4.7 Rights of Withdrawal by an Accepting Holder**

- (a) Acceptances of the Offer by the Holders **SHALL BE IRREVOCABLE**. However, an Accepting Holder is entitled to withdraw his acceptance if the Offeror fails to comply with any of the requirements set out in Section 4.10(a) of this Notice by the close of trading at 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 acceptance immediately thereafter.
- (b) Notwithstanding Section 4.7(a) of this Notice, the SC may terminate the right of withdrawal of an acceptance if the Offeror has complied with the requirements set out in Section 4.10(a) of this Notice within eight (8) days from the Relevant Day, provided that the expiry of the eight (8) day period from the Relevant Day shall not fall after the sixtieth (60<sup>th</sup>) day from the Posting Date.

However, the right of any Holder who has withdrawn his acceptance shall not be prejudiced by the termination of such right of withdrawal by the SC.

#### **4.8 Withdrawal of the Offer**

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

#### **4.9 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) 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) at the Accepting Holders' registered Malaysian address last maintained with Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**") at their own risk, within ten (10) days from the date of receipt of the acceptances which are valid and complete in all aspects in accordance with the terms and conditions set out in the Offer Document.

Other than the Offeror's right to reduce the consideration for the Offer as set out in Section 4.1 of this Notice, and except with the consent of the SC which would only be granted in certain circumstances in which all the Holders would be treated similarly, 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 or claim to 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 as set out in Section 4.5 of this Notice.

#### **4.10 Announcement of Acceptances**

- (a) The Offeror shall inform the SC in writing and announce via Bursa Securities' Listing Information Network (also known as 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 Securities, together with the percentage of the relevant classes of share capital represented by such Offer Securities:-
    - (aa) for which acceptances of the Offer have been received after the Posting Date;
    - (bb) held by the Offeror and its PACs as at the Posting Date;

- (cc) agreed to be acquired during the offer period but after the Posting Date; and
  - (dd) acquired after the Posting Date.
- (b) In computing the acceptances of Offer Securities 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; 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.

#### **4.11 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 the Holders' registered Malaysian address last maintained with Bursa Depository at their own risk. Foreign shareholders and warrant 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 <http://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 communication, notice, document or payment would have been delivered in the ordinary course of the mail.
- (b) The Offer and all acceptances received pursuant to the Offer will be construed under and governed by the laws of Malaysia. The courts of Malaysia will have exclusive jurisdiction in respect of any proceedings brought in relation to the Offer.
- (c) The acceptances of a Holder shall not exceed his total holding of Offer Securities, failing which the Offeror has the right to treat such acceptances as invalid. Nevertheless, the Offeror also reserves the right to treat any acceptance of a Holder exceeding his total holding of Offer Securities as valid for and to the extent of his total holding of Offer Securities.
- (d) The Form of Acceptance and Transfer which will accompany the Offer Document will contain the following:-
  - (i) provisions as to the acceptance of the Offer and the transfer of the Offer Securities to PHS or its appointed nominees;
  - (ii) instructions to complete the Form of Acceptance and Transfer; and

- (iii) other matters incidental to the acceptance of the Offer and transfer of the Offer Securities to PHS or its appointed nominees.

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

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

## 5. LISTING STATUS OF SEGi AND COMPULSORY ACQUISITION

### 5.1 Listing Status

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 in such shares.

A listed issuer which fails to maintain the required 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 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 suspend trading in the securities of the listed issuer pursuant to Paragraph 16.02 of the Listing Requirements.

In relation to a take-over offer for the acquisition of the listed shares of a listed issuer pursuant to the Code, upon 90% or more of the listed shares (excluding treasury shares) of the 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 in the case where the offeror does not intend to maintain the listing status, suspend the trading in the listed issuer’s securities immediately upon the expiry of five (5) market days from the date of the immediate announcement. Thereafter, in accordance with Paragraph 16.07 of the Listing Requirements, the listed issuer may withdraw its listing from the Official List of Bursa Securities.

**The Offeror does not intend to maintain the listing status of SEGi** and the Offeror does not intend to take any step to address any shortfall in the public shareholding spread of SEGi in the event that the Offeror receive acceptances under the Offer resulting in the Offeror and its PACs holding 75% or more of the listed shares of SEGi (excluding all the treasury shares held by SEGi).

Pursuant to the Listing Requirements, in the event the Offeror receive acceptances under the Offer resulting in the Offeror and its PACs holding in aggregate 90% or more of the listed shares of SEGi (excluding all the treasury shares held by SEGi), the SEGi Shares and Warrants would be suspended from trading and thereafter be removed from the Official List of Bursa Securities.

However, if the Offeror receive acceptances under the Offer resulting in the Offeror and its PACs holding in aggregate less than 90% of the listed shares of SEGi (excluding all the treasury shares held by SEGi) but 75% or more of the listed shares of SEGi (excluding all the treasury shares held by SEGi), the Offeror will within three (3) months from the Closing Date, procure SEGi to take the requisite steps to withdraw its listing status from the Official List of Bursa Securities in accordance with Chapter 16 of the Listing Requirements which would be subject to the approval of, *inter-alia*, the shareholders and warrant holders of SEGi at their respective general meetings, and if applicable, a reasonable cash alternative or other reasonable alternative being offered to the shareholders and warrant holders of SEGi. If the resolutions are carried at the respective meetings and subject to compliance with Paragraph 16.06 of the Listing Requirements, the SEGi Shares and Warrants would be suspended from trading and thereafter be removed from the Official List of Bursa Securities.

## **5.2 Compulsory Acquisition**

Section 222(1) of the CMSA provides that where a take-over offer by an offeror to acquire all the shares or all the shares in any particular class in an offeree has, within four (4) months after the making of the take-over offer, been accepted by the holders of not less than nine-tenths (9/10) in the nominal value of those shares or of the shares of that class (excluding shares already held at the date of the take-over offer by the offeror or persons acting in concert), the offeror may, at any time within two (2) months from the date the nine-tenths (9/10) in the nominal value of those shares have been achieved, give notice in the manner prescribed under the Code to any dissenting shareholder that it desires to acquire his shares together with a copy of a statutory declaration by the offeror that the conditions for the giving of the notice are satisfied.

If the Offeror receives sufficient level of acceptances as described above, **the Offeror intends to invoke the provisions of Section 222 of the CMSA** to compulsorily acquire any remaining Offer Shares for which acceptances have not been received, and necessary steps will thereafter be taken to de-list SEGi from the Official List of Bursa Securities. Under such circumstance, the Holders whose Offer Shares are compulsorily acquired will receive the consideration on the same terms as set out in the Offer Document and in accordance with Section 222 of the CMSA.

Notwithstanding the above, if the Offeror receives 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 issued and paid-up share capital of SEGi on or before the Closing Date, a Holder who has not accepted the Offer may exercise his rights under Section 223 of the CMSA by serving a notice on the Offeror to require the Offeror to acquire his SEGi Shares on the same terms as set out in the Offer Document or such other terms as may be agreed by the Offeror and the Holder concerned, subject to Section 224 of the CMSA.

In accordance with Section 224 of the CMSA, when a Holder exercises his rights under Section 223 of the CMSA, the court may, on an application made by such Holder or by the Offeror, order that the terms on which the Offeror shall acquire the SEGi Shares shall be as the court thinks fit.

There is no provision within the CMSA which gives an offeror the right to compulsorily acquire all the warrants in an offeree following a take-over offer. As such, and notwithstanding that the Offeror has invoked Section 222(1) of the CMSA in respect of the Offer Shares, the Warrants will continue to be held by the Holders who do not accept the Offer and the rights of such Holders shall continue to be governed by the deed poll dated 15 July 2010. The Offeror does not currently have any intention to extend any new or further offer for the Warrants even after the invocation of its right to compulsorily acquire the Offer Shares under Section 222(1) of the CMSA. Further, following the completion of the compulsory acquisition of the Offer Shares, both the SEGi Shares and Warrants will be suspended and de-listed from the Official List of Bursa Securities. The Holders should note that they will then hold Warrants with no active market to trade in. As such, the Offer provides an opportunity to the Holders to realise their investments in the Warrants.

## 6. DISCLOSURE OF INTERESTS IN SEGi

In accordance with Sections 11(9)(d) and 11(9)(e) of the Code, the Offeror hereby discloses the following:-

- (i) As at the date of this Notice, the direct and indirect interests of the Offeror and its PACs in SEGi Shares are as follows:-

Name	Direct		Indirect	
	No. of SEGi Shares	% <sup>^</sup>	No. of SEGi Shares	% <sup>^</sup>
<b><u>Offeror</u></b>				
PHS	148,473,000	27.84	158,840,480	29.78 <sup>(a)</sup>
<b><u>PACs of PHS</u></b>				
SU 1	-	-	307,313,480	57.62 <sup>(b)</sup>
SU 2	-	-	307,313,480	57.62 <sup>(b)</sup>
NAF Ltd	-	-	307,313,480	57.62 <sup>(c)</sup>
NMGO Ltd	-	-	307,313,480	57.62 <sup>(d)</sup>
DSC	158,840,480	29.78	148,473,000	27.84 <sup>(e)</sup>

**Notes:-**

<sup>^</sup> Excluding all the treasury shares held by SEGi.

<sup>(a)</sup> PHS is deemed interested in such SEGi Shares held by DSC pursuant to the Shareholders' Agreement.

<sup>(b)</sup> Deemed interested by virtue of their interest in PHS.

<sup>(c)</sup> Deemed interested by virtue of it being the general partner of Navis Asia Fund VI G.P., L.P. (an exempted limited partnership under the laws of the Cayman Islands), which in turn is the general partner of NAF Fund. NAF Ltd holds 100% of the equity interest in SU 1 on trust for and on behalf of NAF Fund.

<sup>(d)</sup> Deemed interested by virtue of it being the general partner of NMGO Fund. NMGO Ltd holds 100% of the equity interest in SU 2 on trust for and on behalf of NMGO Fund.

<sup>(e)</sup> DSC is deemed interested in such SEGi Shares held by PHS pursuant to the Shareholders' Agreement.

- (ii) As at the date of this Notice, no person has accepted or irrevocably committed himself to accept the Offer;
- (iii) As at the date of this Notice, the Offeror and its PACs have not entered into or been granted with any option to acquire any additional Offer Shares; and
- (iv) 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/or its PACs with any of the Holders.

**7. FINANCIAL RESOURCES**

The Offeror confirms that the Offer would not fail due to the insufficient financial capability of the Offeror and that every Holder who wishes to accept the Offer will be paid in full in cash.

RHB Investment Bank confirms that it is reasonably satisfied that there are sufficient financial resources available to the Offeror such that the Offer would not fail due to the insufficient financial capability of the Offeror and that every Holder who wishes to accept the Offer will be paid in full in cash.

**8. RESPONSIBILITY STATEMENT**

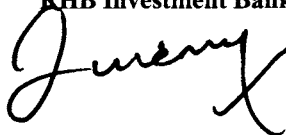
The Board of Directors of PHS has seen this Notice and has approved the issuance of this Notice. The Board of Directors of PHS collectively and individually accept full responsibility for the accuracy of information contained in this Notice and confirm that, after making all reasonable enquiries to the best of their knowledge and belief, there are no false or misleading statements or other material facts, the omission of which would make any statement in this Notice false or misleading.

**9. PUBLIC RELEASE**

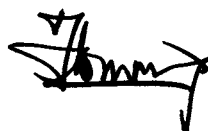
In accordance with the provisions of the Code, copies of this Notice will be released to the press and forwarded to the SC and Bursa Securities for public release.

We would appreciate it if you acknowledge receipt of this Notice by signing and returning the duplicate of this Notice to us.

Yours faithfully,  
**RHB Investment Bank Berhad**



**JAIMIE SIA**  
Head of Investment Banking

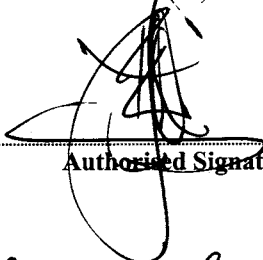


**TOMMY HAR**  
Senior Vice President  
Head, Corporate Finance

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**TO : RHB Investment Bank Berhad**

"We, SEG International Bhd, hereby acknowledge receipt of this Notice of Unconditional Take-Over Offer."



Authorized Signatory

Company Secretary

Designation

HZW LING SZZ

Name

25/10/12 5:18p

Date