

THIS NOTIFICATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

Bursa Malaysia Securities Berhad 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.

If you have sold or transferred all your ordinary shares in Paragon Union Berhad, you should hand this Notification immediately to the purchaser or stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

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



PARAGON UNION BERHAD

Registration No. 199401000779 (286457-V)
(Incorporated in Malaysia)

NOTIFICATION TO THE SHAREHOLDERS OF

PARAGON UNION BERHAD

IN RELATION TO THE

**RECEIPT OF NOTICE OF UNCONDITIONAL MANDATORY TAKE-OVER
OFFER DATED 22 JANUARY 2021**

FROM

HONG LEONG INVESTMENT BANK BERHAD

[Registration No. 197001000928 (10209-W)]
(A Participating Organisation of Bursa Malaysia Securities Berhad)

ON BEHALF OF

AKK CAPITAL SDN BHD

This Notification is dated 27 January 2021



PARAGON UNION BERHAD

Registration No. 199401000779 (286457-V)
(Incorporated in Malaysia)

Registered Office:

Level 2, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

27 January 2021

Board of Directors:

Mr. Fung Beng Ee	<i>(Senior Independent Non-Executive Chairman)</i>
Mr. Lee Choon Hee	<i>(Executive Director)</i>
Mr. Lau Yoke Keen	<i>(Independent Non-Executive Director)</i>

To: The Shareholders of Paragon Union Berhad

Dear Sir/Madam,

PARAGON UNION BERHAD (“PUB” OR “COMPANY”)

RECEIPT OF NOTICE OF UNCONDITIONAL MANDATORY TAKE-OVER OFFER DATED 22 JANUARY 2021 FROM HONG LEONG INVESTMENT BANK BERHAD (“HONG LEONG BANK”) ON BEHALF OF AKK CAPITAL SDN BHD (“AKK CAPITAL” OR THE “OFFEROR”) (“NOTICE”)

1. INTRODUCTION

We wish to inform you that on 22 January 2021, the Board of Directors of PUB (“**Board**”) had received the Notice from Hong Leong Bank on behalf of the Offeror, notifying that on even date, AKK Capital had entered into an unconditional share sale agreements to acquire a total of 39,979,794 ordinary shares in PUB (“**PUB Shares**”), representing approximately 60.41% equity interest in PUB from Asia Avenue Sdn Bhd, Tan Choon Hock, Kong Say Thor, Lee Poh Ting and Lee Poh Yee, for a total cash consideration of RM21,988,886.70 or RM0.55 per PUB Share via direct business transaction (“**Share Acquisition**”). The Shares Acquisition has been completed on 25 January 2021.

For information purposes, prior to the Share Acquisition, AKK Capital together with the Ultimate Offeror (as defined in the Notice) do not hold any equity interest in PUB.

Following the Share Acquisition, the resultant collective shareholding of the Offeror and the Ultimate Offeror will be 60.41%. Accordingly, pursuant to Section 218(2) of the Capital Markets and Services Act 2007 (“**CMSA**”) and Paragraph 4.01(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia (“**SC**”) (“**Rules**”), the Offeror is obliged to extend an unconditional mandatory take-over offer to acquire all the remaining shares (excluding the treasury shares) which are not already held by the Offeror and Ultimate Offeror (“**Offer Share(s)**”) for a cash offer price of RM0.55 per Offer Share (“**Offer**”).

The Board had on 22 January 2021 and 25 January 2021 announced the receipt of the Notice and completion of Shares Acquisition respectively.

2. CONDITIONS OF THE OFFER

As stipulated in Section 3.2 of the Notice, the Offer is not conditional upon any minimum level of acceptance of the Offer Shares as the Offeror and Ultimate Offeror collectively hold more than 50.00% of the voting shares of the Offeree.

However, the Offer is subject to the notification from the SC that it has no further comments of the contents of the Offer Document.

3. APPOINTMENT OF INDEPENDENT ADVISER

In accordance with Paragraph 3.06 of the Rules, the Board had on 26 January 2021 appointed Malacca Securities Sdn Bhd as the Independent Adviser ("**Independent Adviser**") to provide comments, opinion, information and recommendation on the Offer to the non-interested Directors and non-interested shareholders of PUB.

4. DOCUMENTS RELATING TO THE OFFER

The purpose of this Notification is to inform you of the Offer and a copy of the Notice is enclosed herewith for your information. **You should note that this Notification does not constitute an offer.**

The document outlining the terms and conditions of the Offer ("**Offer Document**") together with the accompanying form of acceptance and transfer will be despatched to you within 21 days from the date of the Notice or any extended period of time as may be directed or permitted by the SC.

The Independent Advice Circular containing amongst others, the recommendation of the Independent Adviser in relation to the Offer, will be despatched to you within 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 TO BE ISSUED AND POSTED TO YOU CAREFULLY BEFORE TAKING ANY ACTION(S) IN RELATION TO THE OFFER SHARES.

Yours faithfully,
For and on behalf of the Board of
PARAGON UNION BERHAD

FUNG BENG EE
Senior Independent Non-Executive Chairman

**NOTICE OF UNCONDITIONAL MANDATORY TAKE-OVER OFFER DATED 22 JANUARY 2021
FROM HONG LEONG INVESTMENT BANK BERHAD, ON BEHALF OF AKK CAPITAL SDN BHD**

22 January 2021

The Board of Directors
PARAGON UNION BERHAD
Lot 14, Jalan Satu
Kawasan Perindustrian Cheras Jaya
Batu 11, Cheras
43200, Selangor Darul Ehsan

Dear Sir/Madam,

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

1. INTRODUCTION

On 22 January 2021, AKK Capital Sdn Bhd ("**AKK**" or "**Offeror**"), had entered into unconditional share sale agreements with the following Vendors (as defined herein) to acquire a total of 39,979,794 ordinary shares in Paragon Union Berhad ("**Paragon Union**" or "**Offeree**") ("**Shares**"), representing about 60.41% of the equity interest in the Offeree (excluding Treasury Shares (as defined herein)), for a total cash consideration of RM21,988,886.70 or RM0.55 for each Share ("**Acquisitions**").

The details of the Acquisitions are as follows:

Vendors	No. of Shares	%⁽¹⁾
Asia Avenue Sdn Bhd	31,941,094	48.26
Tan Choon Hock	3,428,000	5.18
Kong Say Thor	2,788,200	4.21
Lee Poh Ting	978,700	1.48
Lee Poh Yee	843,800	1.28
Total	39,979,794	60.41

Note:

- (1) Excluding 3,821,100 Shares held as treasury shares as at the date of this Notice ("**Treasury Shares**"). For information purpose, out of the 3,821,100 units of Treasury Shares, 2,969,360 Shares were granted to the eligible executives of the Offeree pursuant to the executive share scheme of the Offeree ("**ESS**") effective from 15 May 2020 and the said Shares remain unvested as at the date of this Notice. 2,969,360 Shares will vest and be part of the Offer Shares (as defined herein) on the date of Offer Document (as defined herein) upon the issuance and despatch of the Offer Document, pursuant to and in accordance with the by-laws of the ESS.

(Asia Avenue Sdn Bhd, Tan Choon Hock, Kong Say Thor, Lee Poh Ting and Lee Poh Yee are collectively referred to as "**Vendors**")

The Acquisitions is expected to be completed within the next market day from the date of this Notice by way of direct business transactions under the rules and directives of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

Upon completion of the Acquisitions, the shareholdings of the Offeror and Ultimate Offeror (as defined herein) in the Offeree will increase from nil to about 60.41% (excluding Treasury Shares).

Under Section 218(2) of the Capital Markets and Services Act 2007 ("**CMSA**") and Paragraph 4.01(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia ("**SC**") ("**Rules**"), the Offeror is obliged to extend an unconditional mandatory take-over offer to acquire all the remaining Shares (excluding treasury shares) which are not already owned by the Offeror and the Ultimate Offeror ("**Offer Shares**") for a cash offer price of RM0.55 for each Offer Share ("**Offer Price**") ("**Offer**").

The ultimate offeror for the Offer is Koon Hoi Chun, the sole shareholder and director of the Offeror ("**Ultimate Offeror**").

As at the date of the Notice, there are no persons acting in concert with the Offeror and the Ultimate Offeror (in accordance with Section 216(2) and 216(3) of the CMSA) in relation to the Offer.

2. THE OFFER

On behalf of the Offeror, we serve this Notice on you in accordance with Paragraph 9.10(1)(b)(i) of the Rules to acquire the Offer Shares at the Offer Price.

Holders of the Offer Shares ("**Holders**") who wish to accept the Offer should refer to the procedures for acceptance, which will be detailed in a document outlining terms and conditions of the Offer ("**Offer Document**") together with the accompanying form of acceptance and transfer for the Offer Shares to be posted to them in due course. These documents will be posted to Holders after receiving notification from the SC that it has no further comments on the contents of the Offer Document.

The Offer is being made to each Holder equally and for all of their Offer Shares, subject to the terms and conditions of the Offer set out in the Offer Document.

3. 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 as follows:

3.1 Consideration for the Offer

The consideration for the Offer is RM0.55 for each Offer Share. The Offer Price will be satisfied entirely in cash.

The Offer Price is equivalent to the highest price (excluding stamp duty and commission) paid by the Offeror and Ultimate Offeror in the 6 months before the beginning of the offer period, which is also the price paid by the Offeror for the Shares for the Acquisitions. In this regard, the Offer Price complies with Paragraph 6.03(1) of the Rules.

However, if the Offeree declares, makes or pays any dividend or distribution of any nature whatsoever (collectively, "**Distribution**") to the Holders on or after the date of this Notice but before the Closing Date (as defined in Section 3.5(i) of this Notice) and the Holders are entitled to retain such Distribution, the Offer Price will be reduced by an amount equivalent to the net Distribution for each Offer Share which such Holders are entitled to retain.

Holders may accept the Offer in respect of all or part of their Offer Shares. They may not accept the Offer in excess of their respective holdings of the Offer Shares. The Offeror will not pay fractions of a sen to Holders who accept the Offer (“**Accepting Holders**”). Hence, where applicable, the entitlements of Accepting Holders to the Offer Price will be rounded down to the nearest whole sen.

The Offer Price represents a premium over/discount to the following market prices of Shares:

		Share price	Premium/ (Discount)	
		(RM)	(RM)	(%)
(i)	Last transacted price of the Shares as at 21 January 2021, being the last full trading day prior to the date of this Notice (“ Last Trading Day ”)	1.05	(0.50)	(47.6)
(ii)	Volume-weighted average market prices of the Shares up to and including the Last Trading Day:			
	(a) 5-day	1.02	(0.47)	(46.1)
	(b) 1-month	0.89	(0.34)	(38.2)
	(c) 3-month	0.68	(0.13)	(19.1)
	(d) 6-month	0.64	(0.09)	(14.1)
	(e) 1-year	0.63	(0.08)	(12.7)

(Source: Bloomberg L.P.)

3.2 Condition of the Offer

The Offer is not conditional upon any minimum level of acceptances of the Offer Shares as the Offeror and Ultimate Offeror collectively hold more than 50.00% of the voting shares of the Offeree.

However, the Offer is subject to the notification from the SC that it has no further comments on the contents of the Offer Document.

3.3 Despatch of the Offer Document

The Offer will be made by the posting of the Offer Document, which will not be later than 21 days from the date of this Notice (“**Posting Date**”), unless directed or permitted by the SC to defer doing so. An application for the 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(i) of this Notice, the Offeror will post the Offer Document to the board of directors of the Offeree and all Holders whose names appear on the record of depositors of the Offeree maintained with Bursa Malaysia Depository Sdn Bhd (“**Bursa Depository**”) as at the latest practicable date prior to the Posting Date.

3.4 Warranties

The Offeror will acquire the Offer Shares based on the acceptance of the Offer by a Holder in accordance with the terms and conditions of the Offer Document, which is deemed by the Offeror to be valid and complete in all respects ("**Valid Acceptance**"). A 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:

- (i) free from all moratoriums, claims, charges, liens, pledges, encumbrances, options, rights of pre-emption, third party rights and equities from the date of the Valid Acceptance; and
- (ii) with all attached rights, benefits and entitlements, including the right to all Distributions declared, paid or made on or after the date of this Notice, subject to Section 3.1 of this Notice.

3.5 Duration of the Offer

(i) Original duration

The Offer will remain open for acceptances until 5.00 p.m. (Malaysian time) for a period of at least 21 days from the Posting Date ("**First Closing Date**"), or such later date(s) as the Offeror may decide and HLIB 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.

Where a competing take-over offer is made at any time between the Posting Date and the Closing Date, the Posting Date will be deemed to be the date the competing take-over offer document is posted.

(ii) Revision of the Offer

If the Offer is revised after the Posting Date, the Offer will remain open for acceptances for a period of at least 14 days from the date of posting of the written notification of the revision to the Holders. Where any of the terms of the Offer are revised, the benefits of the revised terms of the Offer will be made available to Holders who have previously accepted the Offer.

The Offeror may not revise the Offer after the 46th day from the Posting Date or the date the offer document of the competing take-over offer was posted, if any.

(iii) Extension of the Offer

Any extension or revision of the period for acceptance of the Offer by the Offeror will be announced by HLIB, on behalf of the Offeror, at least 2 days before the Closing Date. Such announcement will state the next Closing Date of the Offer. Notice of such extension or revision will be posted to the Holders accordingly.

(iv) Closing of the Offer

As the Offer is unconditional as to acceptances, the Closing Date will not be later than the 60th day from the Posting Date.

The Offer will be deemed to be closed before the Closing Date if the Offeror has received acceptances for all the Offer Shares and the Offeror has made an announcement in accordance with Section 3.9(i) of this Notice.

3.6 Rights of withdrawal by an Accepting Holder

- (i) All Valid Acceptances of the Offer by an Accepting Holder **ARE IRREVOCABLE** as the Offer is unconditional as to acceptances. However, an Accepting Holder is entitled to withdraw his/her acceptance if the Offeror fails to comply with any of the requirements set out in Section 3.9(i) of this Notice by 5.00 p.m. on the market day following the day on which the Offer is closed, revised or extended.
- (ii) Notwithstanding Section 3.6(i) of this Notice, the SC may terminate the above right of withdrawal not less than 8 days from the Offeror complying with the requirements set out in Section 3.9(i) of this Notice.
- (iii) However, the rights of any Holder who has already withdrawn his/her acceptance pursuant to Section 3.6(i) of this Notice will 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 may only withdraw the Offer with the prior written approval of the SC. In such event, every person will be released from all obligations incurred under the Offer.

3.8 Method of settlement

Other than the Offeror's right to reduce the Offer Price as set out in Section 3.1 of this Notice and except with the consent of the SC, the Offeror will settle the consideration to which any Holder is entitled under the Offer 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 be or claim to be entitled against the Accepting Holders. However, this is without prejudice to the Offeror's right to make any claim against the Accepting Holder in respect of a breach of the warranties as set out in Section 3.4 of this Notice.

The Offeror will settle the consideration for the Offer Shares through remittance in the form of cheques, banker's drafts or cashiers' orders, which will be posted by ordinary mail to the Accepting Holders (or their designated agents, as they may direct) at the Accepting Holders' registered Malaysian address last maintained with Bursa Depository at their own risk within 10 days from the date of the Valid Acceptances. This is provided that the Offeror deems such acceptances to be complete and valid in all respects in accordance with the terms and conditions set out in the Offer Document.

Any Holders, 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 Holders**") are advised that settlement for acceptances of the Offer will be made in Ringgit Malaysia. Non-Resident Holders who wish to convert their consideration into foreign currency for repatriation may do so after payment of the appropriate fees and/or charges levied by the respective financial institutions.

3.9 Announcement of acceptances

- (i) The Offeror will inform the SC in writing and announce via the Listing Information Network of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Bursa LINK**"), or by way of a press notice where relevant, before 9.00 a.m. (Malaysian time) on the market day following the day on which the Offer is closed, revised or extended the following information:
 - (a) the status of the Offer, that is, as to whether the Offer is closed, revised or extended; and
 - (b) the total number of Offer Shares:
 - (1) for which Valid Acceptances of the Offer have been received;
 - (2) held by the Offeror and Ultimate Offeror as at the Posting Date; and
 - (3) acquired or agreed to be acquired by the Offeror and Ultimate Offeror during the offer period but after the Posting Date,and specifying the percentage of the total number of issued Shares represented by these numbers.
- (ii) 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.
- (iii) References to the making of an announcement or the giving of notice by the Offeror include the following:
 - (a) the release of an announcement to the press by HLIB or the Offeror or Offeror's advertising agents, if applicable; or
 - (b) the delivery of or transmission by facsimile or Bursa LINK of an announcement to Bursa Securities.
- (iv) An announcement made otherwise than to Bursa Securities, if applicable, will be notified simultaneously to Bursa Securities.

3.10 Purchases in the open market

If the Offeror and Ultimate 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 will increase the Offer Price to be at least the highest price (excluding stamp duty and commission) paid or agreed to be paid by the Offeror or Ultimate Offeror for the Offer Shares during the offer period.

If the Offeror increases the Offer Price, Holders who have accepted the Offer before the revision of the Offer Price will be entitled to receive the revised Offer Price in cash.

3.11 General

- (i) All communications, notices, documents and payments to be delivered or sent to the Holders (or their designated agents, as they may direct) will be dispatched by ordinary mail to the Holder's registered Malaysian address in the record of depositors last maintained with Bursa Depository at their own risk.

Non-resident Holders without registered Malaysian addresses maintained with Bursa Depository but 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 will 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 shall be presumed to be effected by properly addressing, prepaying and posting by ordinary mail, the communication, notice, document or payment and such delivery will be presumed to have been effected at the time when the document would have been delivered in the ordinary course of mail.

- (ii) The Offer and all Valid Acceptances received under 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.
- (iii) A Holder may accept the Offer in respect of all or part of his/her Offer Shares. However, the acceptance of a Holder must not exceed his/her total holding of the Offer Shares, failing which the Offeror have the right to treat such acceptances as completely 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.
- (iv) The form of acceptance and transfer for the Offer Shares accompanying the Offer Document will contain the following:
- (a) provisions for the acceptance of the Offer and the transfer of the Offer Shares to the Offeror or its appointed nominees (if any);
 - (b) instructions to complete the form of acceptance and transfer for the Offer Shares; and
 - (c) other matters incidental to the acceptance of the Offer and the transfer of the Offer Shares to the Offeror or its appointed nominees (if any).

No acknowledgement of the receipt of the form of acceptance and transfer for the Offer Shares will be issued.

- (v) 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.

Accepting Holders will bear all costs and expenses incidental to the acceptance of the Offer (other than the abovementioned costs and expenses), such as Malaysian stamp duties, Malaysian transfer fees and postage fees, if any.

For the 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 will not be borne by the Offeror.

- (vi) Any accidental omission to dispatch the Offer Document and form of acceptance and transfer for the Offer Shares to any Holder will not invalidate the Offer in any way.

4. LISTING STATUS, COMPULSORY ACQUISITION AND RIGHTS OF MINORITY SHAREHOLDERS

4.1 Listing status

Pursuant to Paragraph 8.02(1) of the Main Market Listing Requirements of Bursa Securities (“**Listing Requirements**”), a listed issuer must ensure that at least 25.00% 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 25.00% 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 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 an extension of time is not granted, 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. However, the non-compliance of the Public Spread Requirement will not automatically result in the delisting of the listed issuer from the list specifying all securities listed on the Main Market of Bursa Securities.

In relation to a take-over offer under the Rules, upon 90.00% or more of the listed shares (excluding treasury shares) of a listed issuer being held by a shareholder either individually or jointly with associates of the said shareholder, an immediate announcement must be made by the listed issuer. Following such immediate announcement, Bursa Securities will, in the case where the offeror intends to maintain the listing status, suspend trading in the listed issuer’s securities immediately upon the expiry of 30 market days from the date of the announcement.

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

As such, if the Offeree does not comply with the Public Spread Requirement as a result of the Offer, the Offeror will work together with the Offeree to explore various options or proposals within 3 months from the Closing Date, or such extended timeframe as allowed by the relevant authorities, to help facilitate the Offeree to comply with the Public Spread Requirement.

Any action taken to comply with the Public Spread Requirement may require the approvals of the relevant authorities or the approval of the shareholders of the Offeree. 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 while the Offeror will work together with the Offeree to attempt to rectify any shortfall in the Public Spread Requirement, there is no assurance that any such shortfall will be rectified within the stipulated timeframe. In this case, the Offeror or the Offeree or both may apply to seek for an extension of time from the relevant authorities to do so. Bursa Securities has the absolute right to grant an extension or reject the said application.

For the avoidance of doubt, any decision to rectify the shortfall in the Public Spread Requirement is subject to the Offeror and Ultimate Offeror continuing to retain collective equity interests of more than 50.00% in the Offeree.

4.2 Compulsory acquisition

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

- (a) made a take-over offer for all the shares or all the shares in any particular class in an offeree; and
- (b) received acceptances of not less than nine-tenths 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 holders who have not accepted the offer, provided that the notice is:

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

For the purpose of Section 222(1)(b) of the CMSA as stated above, the acceptances must not include shares already held at the date of the take-over offer by the offeror or persons 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 for which Valid Acceptances have not been received before the Closing Date even if the conditions stipulated under Section 222(1) of the CMSA are fulfilled.

4.3 Rights of minority shareholders

Notwithstanding the above, subject to Section 224 of the CMSA, Section 223 of the CMSA provides that if the Offeror receives Valid Acceptances from the Holders resulting in the Offeror and Ultimate Offeror holding at least nine-tenths in value of all the Shares on or before the Closing Date, a Holder who has not accepted the Offer ("**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 between the Offeror and such Dissenting Shareholder.

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 must acquire such Offer Shares will be as the court thinks fit.

If the Offeror and Ultimate Offeror have acquired at least nine-tenths in value of all the Shares, Section 223(2) of the CMSA requires the Offeror to give the Dissenting Shareholders a notice within 1 month thereafter in the manner specified by the SC of the rights that are exercisable by the Dissenting Shareholders under Section 223(1) of the CMSA.

A notice to the Dissenting Shareholders under Section 223(2) of the CMSA may specify the period for the exercise of the rights of the Dissenting Shareholders, which will, in any event, be no less than 3 months after the Closing Date.

5. INFORMATION ON THE OFFEROR

AKK was incorporated in Malaysia under the Companies Act, 2016 ("Act") on 30 October 2020 as a private limited company. AKK is principally an investment holding company.

As at the date of this Notice, the issued share capital of AKK is RM100,000 comprising 100,000 ordinary shares.

Koon Hoi Chun is the sole shareholder and director of AKK as at the date of this Notice.

6. DISCLOSURE OF INTERESTS IN THE OFFEREE

In accordance with Paragraphs 9.10(3)(d) and 9.10(3)(e) of the Rules, the Offeror discloses that, as at the date of this Notice:

- (i) the shareholdings of the Offeror and Ultimate Offeror in the Offeree are set out below:

Name	Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Offeror:				
AKK	39,979,794	60.41	-	-
Ultimate Offeror:				
Koon Hoi Chun	-	-	39,979,794	60.41 ⁽²⁾

Notes:

- (1) Excluding Treasury Shares.
- (2) Deemed interest in the Shares held by AKK pursuant to Section 8(4) of the Act.
- (ii) the Offeror and Ultimate Offeror have not received any irrevocable undertaking from any other Holder to accept or reject the Offer;
- (iii) the Offeror and Ultimate Offeror have not entered into any option or been granted any options to acquire any additional Offer Shares; and
- (iv) the Offeror and Ultimate Offeror are not aware of any existing or proposed agreement, arrangement or understanding in relation to the Offer Shares between the Offeror, Ultimate Offeror and any other Holder.

7. FINANCIAL RESOURCES OF THE OFFEROR

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

HLIB, as the adviser in relation to the Offer, confirms that the Offer will not fail due to the insufficient financial capability of the Offeror.

8. RESPONSIBILITY STATEMENT

The Offeror has seen and approved the issuance of this Notice. The Offeror and Ultimate Offeror, who collectively and individually accept full responsibility for the accuracy of the information contained in this Notice 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 and information or other material facts, the omission of which would make any statement in this Notice false or misleading.

The information relating to the Offeree was obtained from publicly available sources. The responsibility of the Offeror is therefore restricted to the accurate reproduction of the said information in this Notice.

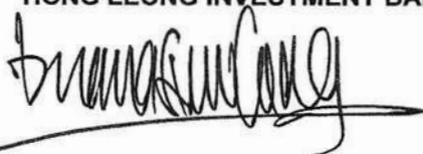
9. PUBLIC RELEASE

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 dispatched 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
HONG LEONG INVESTMENT BANK BERHAD



PHANG SIEW LOONG
Head, Equity Markets
Investment Banking



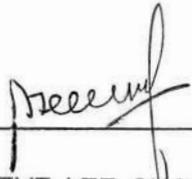
TAN TAI KIM
Senior Vice President, Corporate Finance
Investment Banking

TO: HONG LEONG INVESTMENT BANK BERHAD

NOTICE OF UNCONDITIONAL MANDATORY TAKE-OVER OFFER

We, Paragon Union Berhad, acknowledge receipt of this Notice of Unconditional Mandatory Take-over Offer dated 22 January 2021.

For and on behalf of the Board of Directors of Paragon Union Berhad:

Authorised signatory	:	
Name	:	STEVE LEE CHOON HEE EXECUTIVE DIRECTOR
Designation	:	_____
Date and time	:	22/1/21 6.55pm