

Unless otherwise stated, all abbreviations and defined names or expressions contained in this Notice are defined in the Definitions section of this Notice.

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

THIS NOTICE IS FOR THE INFORMATION OF THE WARRANT HOLDERS. NO ACTION IS REQUIRED TO BE TAKEN BY THE WARRANT HOLDERS.

If you are in doubt as the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

If you have sold or transferred all your Warrant(s) B of SMPC, you should at once hand this Notice to the purchaser or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee respectively.

Bursa Malaysia Securities Berhad has not perused this Notice prior to its issuance and takes no responsibility for the contents of this Notice, 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 Notice.

SMPC

SMPC CORPORATION BHD.

(Company No. 79082-V)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE TO WARRANT HOLDERS IN RELATION TO THE

ADJUSTMENT TO THE NUMBER OF THE OUTSTANDING 20,338,186 WARRANTS 2012/2022 OF SMPC IN ACCORDANCE WITH THE PROVISIONS OF THE DEED POLL DATED 28 MARCH 2012 CONSEQUENT TO THE RENOUNCEABLE TWO-CALL RIGHTS ISSUE OF UP TO 300,410,014 NEW ORDINARY SHARES OF RM1.00 EACH IN SMPC (“SMPC SHARE(S)”) (“RIGHTS SHARE(S)”) TOGETHER WITH UP TO 150,205,007 FREE NEW DETACHABLE WARRANTS (“WARRANTS C”) AT AN ISSUE PRICE OF RM1.00 PER RIGHTS SHARE ON THE BASIS OF TWO (2) RIGHTS SHARES TOGETHER WITH ONE (1) WARRANT C FOR EVERY TWO (2) EXISTING SMPC SHARES HELD AT 5.00 P.M. ON 27 OCTOBER 2014, OF WHICH THE FIRST CALL OF RM0.90 WILL BE PAYABLE IN CASH ON APPLICATION AND THE SECOND CALL OF RM0.10 IS TO BE CAPITALISED FROM THE COMPANY’S RESERVES

Prepared by



PUBLIC INVESTMENT BANK BERHAD (20027-W)

A Participating Organisation Of Bursa Malaysia Securities Berhad
(Wholly-owned Subsidiary Of Public Bank Berhad)

This Notice is dated 6 November 2014

DEFINITIONS

Except where the context otherwise requires or where otherwise defined herein, the following words and abbreviations shall apply throughout this Notice and shall have the following meanings:

Act	:	Companies Act, 1965, as amended from time to time including any re-enactment thereof
Additional Warrants B	:	1,044,807 additional Warrants B to be issued to the Warrant Holders pursuant to the adjustment made to the outstanding Warrants B in accordance with the Deed Poll
Adjustment	:	Adjustment to the number of the outstanding 20,338,186 Warrants B in accordance with the Deed Poll consequent to the Rights Issue with Warrants
Board	:	Board of Directors of SMPC
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (<i>165570-W</i>)
Bursa Securities	:	Bursa Malaysia Securities Berhad (<i>635998-W</i>)
Deed Poll	:	The deed poll dated 28 March 2012 constituting the Warrants B
Director(s)	:	Shall have the same meaning given in Section 2(1) of the CMSA
EGM	:	Extraordinary General Meeting
Entitled Shareholder(s)	:	Shareholders of SMPC whose names appeared on the Record of Depositors on the Entitlement Date
Entitlement Date	:	27 October 2014 at 5.00 p.m., being the date which: (i) the shareholders must be registered in the Record of Depositors of our Company for the entitlement of the Rights Issue with Warrants; and (ii) the Warrant Holders must be registered in the Record of Depositors of our Company for the entitlement of the Additional Warrants B
Entitled Warrant Holder(s)	:	Warrant Holders whose names appear in the Record of Depositors for Warrants B on the Entitlement Date
Market Day(s)	:	Any day(s) between Monday and Friday (inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities
Notice	:	This document to Warrant Holders of SMPC dated 6 November 2014, which sets out the details of the Adjustment
PIVB	:	Public Investment Bank Berhad (<i>20027-W</i>)
Record of Depositors	:	A record of securities holders provided by Bursa Depository
Rights Issue with Warrants	:	Renounceable two-call rights issue of up to 300,410,014 Rights Shares together with up to 150,205,007 Warrants C at an issue price of RM1.00 per Rights Share on the basis of two (2) Rights Shares together with one (1) Warrant C for every two (2) existing SMPC Shares held on the Entitlement Date, of which the first call of RM0.90 will be payable in cash on application and the second call of RM0.10 is to be capitalised from the Company's reserves
Rights Share(s)	:	New SMPC Share(s) to be issued pursuant to the Rights Issue with Warrants

DEFINITIONS (Cont'd)

RM and sen	:	Ringgit Malaysia and sen, respectively
SMPC or Company	:	SMPC Corporation Bhd. (79082-V)
SMPC Group or Group	:	SMPC and its subsidiaries, collectively
SMPC Share(s) or Share(s)	:	Ordinary share(s) of RM1.00 each in SMPC
Warrant Holder(s)	:	The registered holder(s) of the Warrants B as shown in the Record of Depositors on the Entitlement Date
Warrant(s) B	:	Warrants 2012/2022 constituted by the Deed Poll, which will expire on 9 May 2022
Warrant(s) C	:	Free new detachable warrants C to be issued pursuant to the Rights Issue with Warrants

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Notice to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Notice shall be a reference to Malaysian time, unless otherwise specified.

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SMPC

SMPC CORPORATION BHD.

(Company No. 79082-V)

(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

55A, Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh
Perak

6 November 2014

Board of Directors

Sudesh a/l K.V. Sankaran (*Independent Non-Executive Director/Chairman*)

Ooi Chieng Sim (*Executive Director/Vice Chairman*)

Mohd Shahril Fitri Bin Hashim (*Executive Director*)

Ng Chin Nam (*Executive Director*)

Dato' Lee Hean Guan (*Non-Independent Non-Executive Director*)

Dato' Dennis Chuah (*Independent Non-Executive Director*)

Maniam a/l Rajakeresnen (*Independent Non-Executive Director*)

To: The Warrant Holders of SMPC

Dear Sir/Madam,

ADJUSTMENT TO THE NUMBER OF THE OUTSTANDING 20,338,186 WARRANTS B CONSEQUENT TO THE RIGHTS ISSUE WITH WARRANTS

1. INTRODUCTION

On 27 February 2014, PIVB on behalf of the Board had announced that the Company proposed to undertake the Rights Issue with Warrants. At the EGM held on 26 September 2014, the shareholders of our Company had approved the Rights Issue with Warrants.

On 12 August 2014, PIVB had, on behalf of the Board, announced that Bursa Securities has vide its letter dated 12 August 2014, approved the admission of the Warrants C to the Official List of Bursa Securities, the listing of and quotation for the Rights Shares, Warrants C, Additional Warrants B and the new SMPC Shares arising from the exercise of the Warrants C and the Additional Warrants B on the Main Market of Bursa Securities.

The Warrant Holders whose names appear in the Record of Depositors for the outstanding Warrants B as at 5.00 p.m. on 27 October 2014 would be entitled to the Adjustment.

THE PURPOSE OF THIS NOTICE IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE ADJUSTMENT. THIS NOTICE SETS OUT THE BRIEF PARTICULARS OF THE EVENTS GIVING RISE TO THE ADJUSTMENT, TOGETHER WITH THE COMPUTATIONS OF THE ADJUSTMENT. NO ACTION IS REQUIRED TO BE TAKEN ON YOUR PART.

2. DETAILS OF THE ADJUSTMENT

As at the Entitlement Date, our Company has an outstanding 20,338,186 Warrants B, which are exercisable into 20,338,186 SMPC Shares at an exercise price of RM1.00 each.

Pursuant to Condition 6.3 of Schedule 3 of the Deed Poll, the number and/or exercise price of Warrants B shall from time to time be adjusted by our Board in consultation with the approved advisor and certified by the auditors in accordance with the relevant provisions as set out in the Deed Poll.

2.1 Adjustment Mechanism

Pursuant to the provisions of the Deed Poll, the number and the exercise price in respect of the Warrants B shall be adjusted consequent to the Rights Issue with Warrants as follows:

Number Adjustment	Exercise Price Adjustment
$T \times \left[\frac{(A + P + B) \times C}{(A \times C) + (P \times H)} \right] - T$	$\left[\frac{(A \times C) + (K \times I) + (U \times G)}{(A + K + U + B) \times C} \right] \times S$

Where:

- A = **54,110,191 SMPC Shares**, being the aggregate number of SMPC Shares in issue on the Entitlement Date for such issue (excluding 2,444,668 treasury shares);
- B = **5,411,019 Rights Shares^(a)**, being the aggregate number of SMPC Shares to be issued pursuant to any allotment to the Entitled Shareholders credited as fully paid-up by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve fund);
- C = **RM0.9975**, being the five (5)-day VWAP of each SMPC Share immediately preceding the date on which the Rights Issue with Warrants is publicly announced to Bursa Securities up to and including 26 February 2014;
- G = **RM1.00**, being the subscription price of one (1) new Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Share under the offer or invitation to its Shareholders as provided in Condition 6.3(c)(3);
- H = **RM1.00**, being the subscription consideration for one additional SMPC Share under the terms of such offer or invitation to the Entitled Shareholders as provided in Condition 6.3(c)(2);
- K = **48,699,172 Rights Shares^(b)**, being the aggregate number of new Shares to be issued pursuant to the offer or invitation to acquire or subscribe for new Shares by way of rights or by way of rights to acquire or subscribe for securities convertible into Shares or the rights to acquire or subscribe for Shares, as the case may be;
- I = **RM1.00**, being the subscription price of one additional Share under the offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share, as the case may be;
- P = **48,699,172 Rights Shares^(b)**, being the aggregate number of new SMPC Shares under an offer or invitation by way of rights;
- S = **RM1.00**, being the existing exercise price of the Warrants B;
- T = **20,338,186 Warrants B**, being the number of outstanding Warrants B held as at the Entitlement Date; and
- U = **27,055,095 SMPC Shares**, being the aggregate number of SMPC Shares to be issued upon conversion of such securities or exercise of rights to subscribe for SMPC Shares by the Entitled Shareholders.

Notes:

- (a) Calculated based on the total 54,110,191 Rights Shares multiplied by 10%, being the proportion of the Second Call over the issue price of RM1.00.
- (b) Calculated based on the total 54,110,191 Rights Shares multiplied by 90%, being the proportion of the First Call over the issue price of RM1.00.

2.2 Number Adjustment

Based on the formula set out in Section 2.1 above, the number of the Warrants B shall be adjusted as follows:

$$= 20,338,186 \times \left[\frac{(54,110,191 + 48,699,172 + 5,411,019) \times 0.9975}{(54,110,191 \times 0.9975) + (48,699,172 \times 1.00)} \right] - 20,338,186$$

= **1,045,045** additional Warrants B (*rounded down to the nearest whole Warrant B*)

Final additional number of Additional Warrants B

= 1,045,045 additional Warrants B - disregarded fractional entitlements

= 1,045,045 - 238

= 1,044,807

The difference between the 1,045,045 additional Warrants B based on the above computation and the actual 1,044,807 Additional Warrants B to be issued was due to the fractional entitlements arising from the Adjustments were disregarded.

2.3 Exercise price adjustment

Based on the formula set out in Section 2.1 above, the exercise price adjustment for the Warrants B shall be adjusted as follows:

$$= \left[\frac{(54,110,191 \times 0.9975) + (48,699,172 \times 1.00) + (27,055,095 \times 1.00)}{(54,110,191 + 48,699,172 + 27,055,095 + 5,411,019) \times 0.9975} \right] \times 1.00$$

= **RM0.96** (*rounded down to nearest one (1) sen*)

However, **no adjustment was made to the exercise price of the Warrants B** as no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of a SMPC Share as set out in Condition 6, Schedule 3 of the Deed Poll.

2.4 Summary of the outstanding Warrants B before and after the Adjustment

A summary of the outstanding Warrants B before and after the Adjustment is as follows:

	Before the Adjustment	After the Adjustment
Exercise price (RM)	1.00	1.00
Number of outstanding Warrants B	20,338,186	21,382,993

The Adjustment were determined and approved by our Board, in consultation with PIVB and certified by our reporting accountants, Messrs. Siew Boon Yeong & Associates, via its letter dated 29 October 2014 that the Adjustment as set out in Sections 2.2 and 2.3 above are in accordance with the provisions of the Deed Poll.

As the Warrants B are prescribed securities, the Additional Warrants B will be credited directly into the respective Central Depository System accounts of the Entitled Warrant Holders and no physical warrant certificate will be issued. The actual number of the Additional Warrants B to be issued and allotted to each Entitled Warrant Holder will be stated in the notice of allotment to be despatched to the Entitled Warrant Holders.

3. RATIONALE FOR THE ADJUSTMENT

The Adjustment has been made in accordance with the provisions of the Deed Poll to mitigate equity dilution such that the status of the Warrant Holders would not be prejudiced after the Rights Issue with Warrants is implemented. The rights and obligations of each Warrant Holders remain unchanged.

4. EFFECTIVE DATE OF THE ADJUSTMENT

The effective date of the Adjustment was 28 October 2014, being the commencement of the next Market Day following the Entitlement Date for the Rights Issue with Warrants. Notwithstanding, pursuant to the Listing Requirements, the Additional Warrants B will be listed and quoted simultaneously with the Rights Shares with Warrants C on a later date to be announced, whereupon the Entitled Warrant Holders are eligible to exercise the Additional Warrants B.

5. STATUS OF ADDITIONAL WARRANTS B AND RANKING OF NEW SMPC SHARES

5.1 Status of Additional Warrants B

The Additional Warrants B shall form part of the respective series of the Warrants B constituted by the Deed Poll and shall be issued on such terms and conditions as set out therein for the Warrants B.

5.2 Ranking of new SMPC Shares

The new SMPC Shares arising from the exercise of the Additional Warrants B shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing ordinary shares of SMPC except that they shall not be entitled to any dividends, rights, allotments and/or distributions which may be declared, made or paid to shareholders, where the entitlement date precedes the relevant date of allotment of the new SMPC Shares.

6. CONSENTS

PIVB and Messrs. Siew Boon Yeong & Associates have given and have not subsequently withdrawn their written consents to the inclusion of their names and references in the form and context in which they appear in this Notice.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of our Company at 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak from Monday to Friday (except public holidays) during business hours from the date of this Notice so long as any of the Warrants B remain exercisable:

- (i) the Deed Poll;
- (ii) the letter dated 29 October 2014 from Messrs. Siew Boon Yeong & Associates, certifying the computation of the Adjustment;
- (iii) the certificate from the Board setting forth brief particulars of the events giving rise to the Adjustment, the Adjustment and the effective date of the Adjustment; and
- (iv) the letters of consent referred to in Section 6 of this Notice.

8. DIRECTORS' RESPONSIBILITY STATEMENT

This Notice has been seen and approved by our Directors who collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Notice misleading.

Yours faithfully,
for and on behalf of the Board of Directors of
SMPC CORPORATION BHD.

Ooi Chieng Sim
Executive Director/Vice Chairman