

THIS INDEPENDENT ADVICE CIRCULAR (“IAC”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU SHOULD READ THIS IAC IN CONJUNCTION WITH THE OFFER DOCUMENT DATED 8 JULY 2015 ISSUED BY MIDF AMANAH INVESTMENT BANK BERHAD ON BEHALF OF THE OFFEROR (AS DEFINED HEREIN) WHICH HAS BEEN SENT TO YOU.

If you are in any doubt as to 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 shares in Super Enterprise Holdings Berhad, you should at once hand this IAC to the stockbroker or the agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Pursuant to Section 15(7) of the Malaysian Code on Take-Overs and Mergers, 2010 (“Code”), the Securities Commission Malaysia (“SC”) has granted its consent to the content of this IAC. However, such consent shall not be taken to imply that the SC agrees with the views and recommendation contained in this IAC. It merely means that this IAC has complied with the disclosure requirements under the Code. The SC takes no responsibility for the contents of this IAC, 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 this IAC.



SUPER ENTERPRISE HOLDINGS BERHAD

(Company No. 240346-X)
(Incorporated in Malaysia)

INDEPENDENT ADVICE CIRCULAR TO HOLDERS OF THE OFFER SHARES

IN RELATION TO THE

CONDITIONAL VOLUNTARY TAKE-OVER OFFER

BY

**MCC LABL2 NETHERLANDS B.V.
 (“MCC LABL2” OR “OFFEROR”)**

AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF

**MULTI-COLOR CORPORATION
 (“MCC” OR “ULTIMATE OFFEROR”)**

THROUGH

MIDF AMANAH INVESTMENT BANK BERHAD

TO ACQUIRE

**ALL THE ORDINARY SHARES OF RM1.00 EACH IN SUPER ENTERPRISE HOLDINGS BERHAD
 (EXCLUDING TREASURY SHARES) NOT ALREADY HELD BY MCC LABL2 (“OFFER SHARES”)
 AT A CASH OFFER PRICE OF RM3.80 PER OFFER SHARE (“OFFER”)**

Independent Adviser



AmInvestment Bank

AmInvestment Bank Berhad

(Company No.: 23742-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

This Independent Advice Circular is dated 15 July 2015

DEFINITIONS

Except where the context otherwise requires or where otherwise defined herein, words and expressions defined in the Code (as defined hereunder) shall have the same meaning when used herein, and the following definitions shall apply throughout this Independent Advice Circular:-

| | |
|---|--|
| Acceptance Condition | : The condition of the Offer as set out in Section 2.2 of the IAL, which states that the Offeror having received, on or before the Closing Date, valid acceptances (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, together with such SEHB Shares that are already acquired, held or entitled to be acquired or held, more than 90% of the voting shares of SEHB (excluding treasury shares) |
| Accepting Holder | : Holder who accepts the Offer in accordance with the terms and conditions set out in the Offer Document |
| Act | : The Companies Act, 1965 as amended from time to time including any re-enactment thereof |
| AmInvestment Bank or Independent Adviser | : AmInvestment Bank Berhad (23742-V) |
| Board | : Board of Directors of SEHB |
| Bursa Depository | : Bursa Malaysia Depository Sdn Bhd (165570-W) |
| Bursa Securities | : Bursa Malaysia Securities Berhad (635998-W) |
| Closing Date | : First Closing Date or in the event the date and time for acceptance of the Offer is extended or revised in accordance with the Code, such extended or revised closing date as the Offeror may decide and announced by MIDF Investment on behalf of the Offeror, at least two (2) days before the Closing Date |
| CMSA | : Capital Markets and Services Act 2007 as amended from time to time including any re-enactment thereof |
| Code | : Malaysian Code on Take-Overs and Mergers 2010 as amended from time to time including any re-enactment thereof |
| Comparable Companies | : The selected listed companies used by the Independent Adviser in its trading comparable analysis, more particularly set out in Section 5.1.1(b) of the IAL |
| Dissenting Shareholder | : A Holder of the Offer Shares who has not accepted the Offer and/or failed to transfer the Offer Shares to the Offeror in accordance with the terms and subject to the conditions set out in the Offer Document |
| EBITDA | : Earnings before interest, tax, depreciation and amortisation |
| E&E | : Electronics and Electrical |
| EPS/(LPS) | : Earnings/(Loss) per share, as the case may be |
| EV | : Enterprise value |
| First Closing Date | : 5.00 p.m. (Malaysian time) on 29 July 2015, being twenty-one (21) days from the Posting Date |

DEFINITIONS (CONT'D)

| | |
|--|--|
| Form of Acceptance and Transfer | : Form of acceptance and transfer for the Offer, enclosed with the Offer Document |
| FPE | : Financial period ended |
| FYE | : Financial year ended |
| GST | : Goods & Services Tax |
| Holder | : Holder of the Offer Shares |
| IAC | : This Independent Advice Circular to the Holders dated 15 July 2015 |
| IAL | : Independent Advice Letter from AmInvestment Bank dated 15 July 2015 |
| Listing Requirements | : Main Market Listing Requirements of Bursa Securities |
| LOI | : Letter from MCC dated 27 March 2015 setting out a non-binding indication of interest of MCC to explore a potential transaction involving the SEHB Shares |
| LPD | : 10 July 2015, being the latest practicable date which is not more than seven (7) days prior to the despatch of this IAC |
| LTD | : 16 June 2015, being the last trading day prior to the date of the Notice |
| Market Day | : A day on which Bursa Securities is open for trading in securities |
| MCC or Ultimate Offeror | : Multi-Color Corporation (652876) |
| MCC Group | : MCC and its subsidiary companies, collectively |
| MCC LABL2 or Offeror | : MCC LABL2 Netherlands B.V. (34310653) |
| MIDF Investment | : MIDF Amanah Investment Bank Berhad (23878-X) |
| NA | : Net assets |
| Notice | : Notice of the Offer dated 17 June 2015 issued by MIDF Investment on behalf of the Offeror, and served on the Board |
| Offer | : Conditional voluntary take-over offer by the Offeror through MIDF Investment to acquire all the Offer Shares at the Offer Price upon the terms and conditions as contained in the Offer Document |
| Offer Document | : The offer document dated 8 July 2015 which sets out the details, terms and conditions of the Offer, together with the Form of Acceptance and Transfer |
| Offer EV/EBITDA | : The EV/EBITDA represented by the Offer Price |

DEFINITIONS (CONT'D)

| | |
|------------------------------|--|
| Offer Period | : Period commencing from 17 June 2015, being the date of the Notice, and ending on:- (i) the Closing Date; or (ii) the date on which the Offer lapses, expires or is withdrawn with the consent of the SC; whichever is earlier |
| Offer Price | : Cash offer price for the Offer Shares, being RM3.80 per Offer Share, subject to any adjustment, where applicable, in the manner set out in Section 2.1 of the IAL |
| Offer Shares | : All the SEHB Shares (excluding treasury shares) not already held by the Offeror, representing 100% of the issued and paid-up share capital of SEHB |
| PAT | : Profit after taxation |
| PBT | : Profit before taxation |
| Posting Date | : 8 July 2015, being the date of posting of the Offer Document |
| Record of Depositors | : A record of depositors established by Bursa Depository under the rules of Bursa Depository as issued pursuant to the Securities Industry (Centre Depositories) Act, 1991 including any amendments thereof issued by Bursa Depository from time to time |
| RM and sen | : Ringgit Malaysia and sen, respectively |
| SEHB or Company | : Super Enterprise Holdings Berhad (240346-X) |
| SEHB Group or Group | : SEHB and its subsidiary companies, collectively |
| SEHB Shares or Shares | : Ordinary shares of RM1.00 each in SEHB |
| SC | : Securities Commission Malaysia |
| USD | : United States Dollar |
| VWAP | : Volume-weighted average market price |

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DEFINITIONS (CONT'D)

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 neuter gender and vice versa. References to persons shall include corporations, unless otherwise specified.

Unless otherwise indicated, all references to dates and times in this IAC refer to Malaysian dates and times. Where a period specified in the Code, as appearing in this IAC, ends on a day which is not a Market Day, the period is extended until the next Market Day.

All references to “you” or “Holder” in this IAC are to the Holder of the Offer Shares, being the person to whom the Offer is being made.

Any discrepancies in the tables included in this IAC between the amounts listed, actual figures and the totals thereof are due to rounding.

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This Executive Summary highlights the salient information of the Offer. You are advised to read the IAC which includes the Letter from the Board (Part A of this IAC) and the IAL from AmInvestment Bank, the Independent Adviser (Part B of this IAC), for further information and recommendation in relation to the Offer.

This IAC should also be read in conjunction with the Offer Document.

1. THE OFFER

On 1 April 2015, SEHB announced that it had received a letter from MCC dated 27 March 2015 setting out a non-binding indication of interest of MCC to explore a potential transaction involving SEHB Shares subject to, amongst others, a due diligence to be satisfactorily completed. For information, the LOI had indicated amongst others, a condition precedent to the making by MCC of the Offer where SEHB is to acquire 100% equity interest in PT Super Labels Indonesia, S.E. Industries (Philippines) Inc and the entire preference shares in S.E. Industries (Thailand) Co. Ltd..

Subsequently, on 17 June 2015, the Company announced that it had entered into option agreements and shareholders' agreements/trust deed, where applicable, with the respective minority shareholders of PT Super Labels Indonesia, S.E. Industries (Philippines) Inc, S.E. Printing (M) Sdn Bhd and S.E. Industries (Thailand) Co. Ltd to acquire the remaining equity interests that is not owned by SEHB in PT Super Labels Indonesia, S.E. Industries (Philippines) Inc and S.E. Printing (M) Sdn Bhd as well as the entire preference shares in S.E. Industries (Thailand) Co. Ltd ("**Option Arrangement**").

On 17 June 2015, MIDF Investment had on behalf of the Offeror, served the Notice on the Board, in accordance with Section 11 of the Code, informing SEHB of the Offeror's intention to undertake the conditional voluntary take-over offer to acquire all SEHB Shares, representing 100% of the issued and paid-up share capital of SEHB (excluding treasury shares) at the Offer Price of RM3.80 per Offer Share.

The Board had on the same day announced the receipt of the Notice and that the Board does not intend to seek an alternative offer for the Offer Shares. The Notice was despatched to shareholders of SEHB on 24 June 2015.

As stated in the Offer Document, MCC is the Ultimate Offeror for the Offer as MCC LABL2 is an indirect wholly-owned subsidiary of MCC.

Pursuant to Section 15 of the Code, the Board had on 23 June 2015, appointed AmInvestment Bank as the Independent Adviser to advise the non-interested Directors of SEHB and the Holders of the Offer Shares on the fairness and reasonableness of the Offer.

As disclosed in the Offer Document, the Offeror and Ultimate Offeror do not have any direct and/or indirect interest in SEHB as at 2 July 2015.

EXECUTIVE SUMMARY (CONT'D)

As disclosed in the Offer Document, as at 2 July 2015, the Offeror has obtained an irrevocable undertaking from each of the following Holders to accept the Offer in respect of their entire direct shareholdings in SEHB, representing 42.46% of the voting shares of SEHB as follows:-

| Name | Direct | |
|--|----------------------|------------------------|
| | No. of shares | %^(a) |
| Goh Jui Leang (<i>Group Managing Director/Group Chief Executive Officer</i>) | 4,390,678 | 10.54 |
| Goh Juai Hian | 6,368,429 | 15.28 |
| Goh Joi Sang (<i>Non-Independent Executive Director</i>) | 5,019,424 | 12.04 |
| Layang Sempurna Sdn Bhd | 1,918,253 | 4.60 |
| Total | 17,696,784 | 42.46 |

Note:-

(a) Based on 41,676,000 SEHB Shares (being the total issued and paid-up capital of SEHB excluding 135,000 SEHB Shares held as treasury shares as at LPD).

A copy of the Offer Document, which sets out the details, terms and conditions of the Offer as well as the procedures for acceptance of the Offer, had been posted to the Holders on 8 July 2015.

You are advised to read both this IAC together with the Offer Document and consider carefully the recommendations contained herein before taking any action.

2. SALIENT TERMS OF THE OFFER

The salient terms and conditions of the Offer are set out below.

2.1 Offer Price

Accepting Holders shall be paid RM3.80 in cash for each Offer Share. For information, as stated in the Offer Document, the Offer Price is the price at which the Offeror is willing to acquire the Offer Shares after taking into consideration the historical market price of SEHB Shares.

2.2 Condition of the Offer

The Offer is conditional upon the Offeror having received on or before the Closing Date, valid acceptances (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, together with such SEHB Shares that are already acquired, held or entitled to be acquired or held, **more than 90%** of the voting shares of SEHB, failing which the Offer shall lapse and the Offer will cease to be capable of further acceptances and all acceptances shall be returned to Holders who have accepted the Offer and the Offeror will thereafter cease to be bound by any such prior acceptances of the Offer.

2.3 Duration of the Offer

The Offer will remain open for acceptances until 5.00 p.m. (Malaysian time) on 29 July 2015, being the First Closing Date. However, depending on the level of acceptances, the Offeror may extend or revise the date and time for acceptance of the Offer beyond the First Closing Date in accordance with the Code. Any such extension will be announced by MIDF Investment, on behalf of the Offeror, at least two (2) days before the First Closing Date and the Offer will remain open for acceptances for a period of at least fourteen (14) days from the First Closing Date.

2.4 Listing Status of SEHB

As stated in Section 5 of the Offer Document, the Offeror does not intend to maintain the listing status of SEHB on the Main Market of Bursa Securities and does not intend to take any step to address the shortfall to meet the public shareholding spread of SEHB.

Please refer to Section 7(a) Part B of this IAC for further details.

2.5 Compulsory Acquisition and Rights of Minority Shareholders

As stated in Section 6 of the Offer Document, if the Offer has been accepted by Holders of not less than nine-tenths (9/10) in the nominal value of the Offer Shares (excluding SEHB Shares already held by the Offeror and its persons acting in concert as at the date of the Offer, if any), the Offeror intends to invoke the provisions under Section 222(1) of the CMSA to compulsorily acquire any outstanding Offer Shares for which valid acceptances have not been received.

The consideration for the Offer Shares under such compulsory acquisition will, subject to Section 224(1) of the CMSA, be equivalent to the Offer Price and on the same terms as set out in the Offer Document.

Notwithstanding the above, if the Offeror receives acceptance from the Holders resulting in the Offeror holding not less than nine-tenths (9/10) in the nominal value of the issued and paid-up share capital of SEHB on or before the Closing Date, a Dissenting Shareholder may exercise his or its rights under Section 223 of the CMSA, subject to Section 224 of the CMSA, by serving a notice on the Offeror to require the Offeror to acquire his or its SEHB 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.

Please refer to Section 7(b) Part B of this IAC for further details.

2.6 Method and expected date of settlement

The settlement of the Offer Shares will be effected within ten (10) days from:-

- (a) the date the Offer becomes or is declared 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 unconditional.

Please refer to Appendix II of the Offer Document for the other terms of the Offer and Appendix III of the Offer Document for the procedures for acceptance and method of settlement of the Offer.

3. EVALUATION OF THE OFFER

In arriving at the recommendation in respect of the Offer, AmInvestment Bank has assessed the fairness and reasonableness of the Offer in accordance with Paragraphs 3.1 to 3.6 under Practice Note 15 of the Code which are summarised as below:-

AmInvestment Bank is of the view that the Offer Price of RM3.80 is **FAIR**, premised on the following:-

- The Offer Price is at the higher end of the range of values of RM3.12 to RM3.90 accorded to each SEHB Share based on the EV/EBITDA multiple valuation methodology;
- The Offer Price represents an EV/EBITDA of 6.57 times which is at the higher end of the range of trailing EV/EBITDAs (5.36 times to 6.75 times) of the Comparable Companies;
- The Offer Price represents:-
 - (a) a premium ranging from RM1.22 to RM2.13 (47.29% to 127.54%) per SEHB Share over the closing market price as at 26 March 2015, five (5)-day, one (1)-month, three (3)-month, six (6)-month and one (1)-year VWAPs up to 26 March 2015, being the last trading day prior to the date of the LOI;
 - (b) a premium ranging from RM0.60 to RM1.19 (18.75% to 45.59%) per SEHB Share over the closing market price as at 16 June 2015, five (5)-day, one (1)-month, three (3)-month, six (6)-month and one (1)-year VWAPs up to 16 June 2015, being the LTD;
 - (c) a premium ranging from RM0.15 to RM0.30 (4.11% to 8.57%) per SEHB Share over the traded SEHB Share prices subsequent to the announcement of the Notice on 17 June 2015 up to the LPD; and
 - (d) the highest price as compared to the historical share prices of the SEHB Shares traded over the past three (3) years up to the LPD.

AmInvestment Bank is of the view that the Offer is **REASONABLE** as SEHB has not received any other offer for its SEHB Shares or its business, assets and liabilities. Furthermore, as announced on 17 June 2015, the Board does not intend to seek an alternative offer for the SEHB Shares. Thus, the Offer provides an exit opportunity to the Holders to realise their investment in SEHB Shares at the Offer Price.

Premised on the above, AmInvestment Bank is of the view that the Offer Price of RM3.80 is **FAIR** and **REASONABLE**.

The Directors of SEHB concur with the recommendation of AmInvestment Bank that the terms of the Offer are **FAIR** and **REASONABLE**. Accordingly, the Board recommends that the Holders of the Offer Shares **ACCEPT** the Offer.

4. IMPORTANT DATES AND EVENTS

| Event | Date |
|-----------------------------------|--------------|
| Notice of the Offer | 17 June 2015 |
| Posting of the Offer Document | 8 July 2015 |
| Issuance of this IAC | 15 July 2015 |
| First Closing Date ^(a) | 29 July 2015 |

Note:-

- (a) *The Offer will be kept open for acceptances until 5.00 p.m.(Malaysian Time) on the First Closing Date or in the event that the Offer is revised or extended in accordance with the Code, such revised or extended closing date as MIDF Investment may announce on behalf of the Offeror at least two (2) days before the First Closing Date. Notices of such revision or extension will be posted to the Holders accordingly.*

HOLDERS ARE ADVISED TO CONSIDER CAREFULLY THE INFORMATION CONTAINED IN THE OFFER DOCUMENT AND THIS IAC BEFORE MAKING A DECISION ON THE COURSE OF ACTION TO BE TAKEN.

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PART A

LETTER FROM THE BOARD



SUPER ENTERPRISE HOLDINGS BERHAD

(Company No. 240346-X)

(Incorporated in Malaysia)

Registered office:

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Malaysia

15 July 2015

Board of Directors

Dato' Mohd Ibrahim Bin Mohd Nor (*Chairman, Independent Non-Executive Director*)

Goh Jui Leang (*Group Managing Director/Group Chief Executive Officer*)

Goh Joi Sang (*Non-Independent Executive Director*)

Goh Jooi Chong (*Non-Independent Executive Director*)

Liung Cheong Poh (*Independent Non-Executive Director*)

Soh Chee Beng (*Independent Non-Executive Director*)

Datuk Haji Zubir Bin Haji Ali (*Independent Non-Executive Director*)

To: The Holders

Dear Sir / Madam,

CONDITIONAL VOLUNTARY TAKE-OVER OFFER BY MCC LABL2 NETHERLANDS B.V., AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF MULTI-COLOR CORPORATION THROUGH MIDF AMANAH INVESTMENT BANK BERHAD TO ACQUIRE ALL SEHB SHARES (EXCLUDING TREASURY SHARES) AT A CASH OFFER PRICE OF RM3.80 PER OFFER SHARE

1. INTRODUCTION

On 1 April 2015, SEHB announced that it had received a letter from MCC dated 27 March 2015 setting out a non-binding indication of interest of MCC to explore a potential transaction involving SEHB Shares subject to, amongst others, a due diligence to be satisfactorily completed. For information, the LOI had indicated amongst others, a condition precedent to the making by MCC of the Offer where SEHB is to acquire 100% equity interest in PT Super Labels Indonesia, S.E. Industries (Philippines) Inc and the entire preference shares in S.E. Industries (Thailand) Co. Ltd..

Subsequently, on 17 June 2015, the Company announced that it had entered into option agreements and shareholders' agreements/trust deed, where applicable, with the respective minority shareholders of PT Super Labels Indonesia, S.E. Industries (Philippines) Inc, S.E. Printing (M) Sdn Bhd and S.E. Industries (Thailand) Co. Ltd to acquire the remaining equity interests that is not owned by SEHB in PT Super Labels Indonesia, S.E. Industries (Philippines) Inc and S.E. Printing (M) Sdn Bhd as well as the entire preference shares in S.E. Industries (Thailand) Co. Ltd ("**Option Arrangement**").

On 17 June 2015, MIDF Investment had on behalf of the Offeror, served the Notice on the Board, in accordance with Section 11 of the Code, informing SEHB of the Offeror's intention to undertake the conditional voluntary take-over offer to acquire all SEHB Shares, representing 100% of the issued and paid-up share capital of SEHB (excluding treasury shares) at the Offer Price of RM3.80 per Offer Share.

The Offer is not extended to the SEHB Shares which are held as treasury shares. In the event that the treasury shares are disposed in the open market and/or distributed as share dividends by SEHB prior to the close of the Offer, the Offer would be extended to include such number of treasury shares so disposed and/or distributed as share dividends by SEHB. If SEHB purchases further SEHB Shares from the open market, the Offer would only involve such number of remaining SEHB Shares which are not held as treasury shares.

The Board had on the same day announced the receipt of the Notice and that the Board does not intend to seek an alternative offer for the Offer Shares. The Notice was despatched to shareholders of SEHB on 24 June 2015.

As stated in the Offer Document, MCC is the Ultimate Offeror for the Offer as MCC LABL2 is an indirect wholly-owned subsidiary of MCC.

Pursuant to Section 15 of the Code, the Board had on 23 June 2015, appointed AmInvestment Bank as the Independent Adviser to advise the non-interested Directors of SEHB and the Holders of the Offer Shares on the fairness and reasonableness of the Offer.

As disclosed in the Offer Document, the Offeror and Ultimate Offeror do not have any direct and/or indirect interest in SEHB as at 2 July 2015.

As disclosed in the Offer Document, as at 2 July 2015, the Offeror has obtained an irrevocable undertaking from each of the following Holders to accept the Offer in respect of their entire direct shareholdings in SEHB, representing 42.46% of the voting shares of SEHB as follows:-

| Name | Direct | |
|--|----------------------|------------------------|
| | No. of shares | %^(a) |
| Goh Jui Leang (<i>Group Managing Director/Group Chief Executive Officer</i>) | 4,390,678 | 10.54 |
| Goh Juai Hian | 6,368,429 | 15.28 |
| Goh Joi Sang (<i>Non-Independent Executive Director</i>) | 5,019,424 | 12.04 |
| Layang Sempurna Sdn Bhd | 1,918,253 | 4.60 |
| Total | 17,696,784 | 42.46 |

Note:-

(a) Based on 41,676,000 SEHB Shares (being the total issued and paid-up capital of SEHB excluding 135,000 SEHB Shares held as treasury shares as at LPD)

A copy of the Offer Document, which sets out the details, terms and conditions of the Offer as well as the procedures for acceptance of the Offer, had been posted to the Holders on 8 July 2015.

You are advised to read both this IAC together with the Offer Document and consider carefully the recommendations contained herein before taking any action.

2. SALIENT TERMS OF THE OFFER

The salient terms of the Offer are set out in Section 2 of Part B of this IAC. Please refer to Section 2 and Appendix II of the Offer Document for the full terms and conditions of the Offer and Appendix III of the Offer Document for the procedures for acceptance and method of settlement of the Offer.

3. RATIONALE FOR THE OFFER

The Directors of SEHB take cognisance of the rationale for the Offer as set out in Section 3 of the Offer Document. Whilst MCC has operations throughout America, Europe, South Africa and parts of Asia, MCC does not have a presence in Malaysia, Thailand, Philippines or Indonesia, in which SEHB has a presence. MCC intends to expand into these countries and SEHB's presence in these markets will allow MCC to leverage on MCC's relationships with some of MCC's global customers who also operate in the region.

The Directors of SEHB also note that the Offer provides an opportunity for the Holders to realise in cash, their investments in SEHB by selling their SEHB Shares to the Offeror at an Offer Price of RM3.80 per Offer Share which is at a substantial premium to the historical market prices of SEHB Shares for the past three (3) years up to 16 June 2015, being the last trading day prior to the Notice. Please refer to Section 5 of the IAL for details of the offer premium.

4. OFFEROR'S FUTURE PLANS FOR THE GROUP AND ITS EMPLOYEES

The Board has taken note of the Offeror's intention with respect to the future plans for the SEHB Group and its employees, as set out in Section 7 of the Offer Document:-

(a) Business and operations

The Offeror intends to continue with the existing businesses of the SEHB Group. However, the Offeror will review the corporate structure and businesses of the SEHB Group from time to time and may introduce or effect change to the structure of the SEHB Group which is necessary in order to rationalise the businesses and direction of the SEHB Group or to weather any unanticipated slowdown in the financial performance of the SEHB Group. The Offeror also does not have any plan or intention to liquidate companies within the SEHB Group.

(b) Fixed assets

The Offeror does not intend to dispose and/or redeploy the fixed assets of the SEHB Group. However, future changes in the assets of SEHB Group may result from efforts to optimise the utilisation of resources of the SEHB Group.

(c) Employees

The Offeror does not intend to dismiss or make redundant the employees of the SEHB Group as a direct consequence of the Offer. Nevertheless, there may be continuous constructive measures to improve the efficiency of operations and optimise staff productivity of the SEHB Group.

In addition to the above, the Offeror has indicated in the event that the Offer is successful, the Offeror and/or MCC, being the then sole shareholder of SEHB, may procure SEHB to exercise the call options and/or rights available to SEHB pursuant to the Option Arrangement in relation to PT Super Labels Indonesia, S.E. Industries (Philippines) Inc., S.E. Industries (Thailand) Co. Ltd and S.E. Printing (M) Sdn Bhd.

The Offeror has in the Offer Document represented that it has not entered into any negotiations or arrangements or understanding with any third party with regard to any significant change in the businesses, assets and shareholding structure of the SEHB Group within the next twelve (12) months from the Closing Date.

5. ACCEPTANCES

As disclosed in the Offer Document, as at 2 July 2015, the Offeror has obtained an irrevocable undertaking from each of the following Holders to accept the Offer in respect of their entire direct shareholdings in SEHB, representing 42.46% of the voting shares of SEHB as follows:

| Name | Direct | |
|--|--------------------------|------------------------|
| | No. of shares | %^(a) |
| Goh Jui Leang (<i>Group Managing Director/Group Chief Executive Officer</i>) | 4,390,678 | 10.54 |
| Goh Juai Hian | 6,368,429 | 15.28 |
| Goh Joi Sang (<i>Non-Independent Executive Director</i>) | 5,019,424 | 12.04 |
| Layang Sempurna Sdn Bhd | 1,918,253 | 4.60 |
| Total | <u>17,696,784</u> | <u>42.46</u> |

Note:-

(a) Based on 41,676,000 SEHB Shares (being the total issued and paid-up capital of SEHB excluding 135,000 SEHB Shares held as treasury shares as at LPD)

As at the LPD, there is no announcement made by MIDF Investment of any acceptance of the Offer Shares.

As at the LPD, to the best knowledge of the Board, save as disclosed above, no person (whose interests in the voting shares in SEHB, whether direct or indirect, which are required to be disclosed under the Code) had accepted or had given an irrevocable undertaking to accept the Offer.

6. LISTING STATUS OF SEHB

The Board noted from Section 5 of the Offer Document that the Offeror does not intend to maintain the listing status of SEHB on the Main Market of Bursa Securities and does not intend to take any step to address the shortfall to meet the public shareholding spread of SEHB.

In the event that the public shareholding spread of SEHB is not met pursuant to the Offer, Bursa Securities may take or impose any type of action or penalty pursuant to Paragraph 16.19 of the Listing Requirements and consequently, may result in the de-listing of SEHB Shares. The Offeror, may, alternatively, procure SEHB to take the requisite steps to withdraw its listing status in accordance with Chapter 16 of the Listing Requirements. Notwithstanding this, the non-compliance of the public shareholding spread requirement would not automatically result in the de-listing of SEHB from the official list of Bursa Securities.

Please refer to Section 7(a) Part B of this IAC for further details.

7. COMPULSORY ACQUISITION AND RIGHTS OF MINORITY SHAREHOLDERS

The Board noted from Section 6 of the Offer Document that if the Offer has been accepted by the Holders of not less than nine-tenths (9/10) in the nominal value of the Offer Shares (excluding SEHB Shares already held by the Offeror and its persons acting in concert as at the date of the Offer, if any), the Offeror intends to invoke the provisions under Section 222(1) of the CMSA to compulsorily acquire any outstanding Offer Shares for which valid acceptances have not been received, and necessary steps will thereafter be taken to de-list SEHB from the official list of Bursa Securities.

Under such circumstance, all the Holders of these Offer Shares will be paid in cash for the Offer Shares compulsorily acquired. The consideration for the Offer Shares under such compulsory acquisition will, subject to Section 224(1) of the CMSA, be equivalent to the Offer Price and on the same terms as set out in this Offer Document.

Notwithstanding the above, if the Offeror receives acceptance from the Holders resulting in the Offeror holding not less than nine-tenths (9/10) in the nominal value of the issued and paid-up share capital of SEHB on or before the Closing Date, a Dissenting Shareholder may exercise his or its rights under Section 223 of the CMSA, subject to Section 224 of the CMSA, by serving a notice on the Offeror to require the Offeror to acquire his or its SEHB Shares on the same terms as set out in this Offer Document or such other terms as may be agreed between the Offeror and such Dissenting Shareholder.

Please refer to Section 7(b) Part B of this IAC for further details.

8. DISCLOSURE OF INTERESTS

Disclosure of the interests of the Directors of SEHB in accordance with the disclosure requirements of the Code is set out in Section 2.2 of Appendix IV to this IAC.

9. INDEPENDENT ADVISER'S LETTER

Holders are advised to read and consider the views and recommendation of AmInvestment Bank, the Independent Adviser appointed to advise the Holders and the non-interested Directors of SEHB. The letter from the Independent Adviser is included in Part B of this IAC.

10. DIRECTORS' INTENTION RELATING TO THE OFFER

The Directors of SEHB and their respective holdings of SEHB Shares at the LPD are as follows:-

| Name | Direct | | Indirect | |
|---------------------------------|---------------|------------------|--------------------------|------------------|
| | No. of shares | % ^(a) | No. of shares | % ^(a) |
| Dato' Mohd Ibrahim Bin Mohd Nor | 170,100 | 0.41 | - | - |
| Goh Jui Leang | 4,390,678 | 10.54 | 1,918,253 ^(b) | 4.60 |
| Goh Joi Sang | 5,019,424 | 12.04 | 1,918,253 ^(b) | 4.60 |
| Goh Jooi Chong | 493,400 | 1.18 | - | - |
| Liung Cheong Poh | - | - | - | - |
| Soh Chee Beng | - | - | - | - |
| Datuk Haji Zubir Bin Haji Ali | - | - | - | - |

Notes:-

- (a) Based on 41,676,000 SEHB Shares (being the total issued and paid-up capital of SEHB excluding 135,000 SEHB Shares held as treasury shares as at LPD)
- (b) Deemed interested in shares held through Layang Sempurna Sdn Bhd, a company associated with him by virtue of Section 6A(4) of the Act

As disclosed in Section 5, Goh Jui Leang and Goh Joi Sang have given their irrevocable undertakings to accept the Offer.

Dato' Mohd Ibrahim Bin Mohd Nor and Goh Jooi Chong have advised that they intend to accept the Offer in respect of their shareholdings in SEHB.

11. DIRECTORS' RECOMMENDATION

The Directors of SEHB, after considering all aspects of the Offer and the evaluation and recommendation by AmInvestment Bank as contained in Part B of this IAC, concur with the recommendation of AmInvestment Bank and recommend that the Holders of Offer Shares **ACCEPT** the Offer.

Holdings are advised to consider carefully the information contained in the IAC together with the Offer Document before making a decision as to the course of action to be taken.

Please note that the non-interested Directors of SEHB have not taken into consideration any specific individual investment objectives, financial situation and particular needs of any individual Holder or any specific group of Holders. Accordingly, the Board recommends that any individual Holder or any specific group of Holders who require advice in relation to the Offer in the context of their individual investment objectives, risk profiles, financial and tax situation or particular needs, should consult their respective stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

12. DIRECTORS' RESPONSIBILITY

This IAC has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy and completeness of the information contained herein (save for the IAL prepared by AmInvestment Bank set out in Part B of this IAC) and confirm that after making enquiries as were reasonable in the circumstances and to the best of their knowledge and belief, there are no other facts the omission of which would make any information provided herein false or misleading.

The responsibility of the Board in respect of the IAL from AmInvestment Bank as set out in Part B of this IAC is limited to the accuracy and completeness of the information provided by SEHB and given to AmInvestment Bank for its evaluation in respect of the SEHB Group and that there is no material fact, the omission of which would make any information provided to AmInvestment Bank false or misleading.

The responsibility of the Board in respect of the information relating to the Offeror, Ultimate Offeror and the Offer extracted from the Offer Document is limited to ensuring that such information is accurately reproduced in this IAC.

Yours faithfully

For and on behalf of the Board of

SUPER ENTERPRISE HOLDINGS BERHAD

Dato' Mohd Ibrahim Bin Mohd Nor

Chairman, Independent Non-Executive Director

PART B

**INDEPENDENT ADVICE LETTER FROM
AMINVESTMENT BANK**



AmInvestment Bank

Your Bank. Malaysia's Bank. AmInvestment Bank.

Registered Office:

22nd Floor
Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur

15 July 2015

To: The Holders

Dear Sir / Madam,

CONDITIONAL VOLUNTARY TAKE-OVER OFFER BY MCC LABL2 NETHERLANDS B.V., AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF MULTI-COLOR CORPORATION THROUGH MIDF AMANAH INVESTMENT BANK BERHAD TO ACQUIRE ALL SEHB SHARES (EXCLUDING TREASURY SHARES) AT A CASH OFFER PRICE OF RM3.80 PER OFFER SHARE

1. INTRODUCTION

On 1 April 2015, SEHB announced that it had received a letter from MCC dated 27 March 2015 setting out a non-binding indication of interest of MCC to explore a potential transaction involving SEHB Shares subject to, amongst others, a due diligence to be satisfactorily completed. For information, the LOI had indicated amongst others, a condition precedent to the making by MCC of the Offer where SEHB is to acquire 100% equity interest in PT Super Labels Indonesia, S.E. Industries (Philippines) Inc and the entire preference shares in S.E. Industries (Thailand) Co. Ltd..

Subsequently, on 17 June 2015, the Company announced that it had entered into option agreements and shareholders' agreements/trust deed, where applicable, with the respective minority shareholders of PT Super Labels Indonesia, S.E. Industries (Philippines) Inc, S.E. Printing (M) Sdn Bhd and S.E. Industries (Thailand) Co. Ltd to acquire the remaining equity interests that is not owned by SEHB in PT Super Labels Indonesia, S.E. Industries (Philippines) Inc and S.E. Printing (M) Sdn Bhd as well as the entire preference shares in S.E. Industries (Thailand) Co. Ltd ("**Option Arrangement**").

On 17 June 2015, MIDF Investment had on behalf of the Offeror, served the Notice on the Board, in accordance with Section 11 of the Code, informing SEHB of the Offeror's intention to undertake the conditional voluntary take-over offer to acquire all SEHB Shares, representing 100% of the issued and paid-up share capital of SEHB (excluding treasury shares) at the Offer Price of RM3.80 per Offer Share.

The Offer is not extended to the SEHB Shares which are held as treasury shares. In the event that the treasury shares are disposed in the open market and/or distributed as share dividends by SEHB prior to the close of the Offer, the Offer would be extended to include such number of treasury shares so disposed and/or distributed as share dividends by SEHB. If SEHB purchases further SEHB Shares from the open market, the Offer would only involve such number of remaining SEHB Shares which are not held as treasury shares.

The Board had on the same day announced the receipt of the Notice and that the Board does not intend to seek an alternative offer for the Offer Shares. The Notice was despatched to shareholders of SEHB on 24 June 2015.

AmInvestment Bank Berhad (23742-V)

A member of the AmBank Group

(A Participating Organisation of Bursa Malaysia Securities Berhad)

22nd Floor, Bangunan AmBank Group, 55, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia. P. O. Box 10233, 50708 Kuala Lumpur, Malaysia.

T: +603 2036 2633 **F:** +603 2070 8596, +603 2032 4960

W: ambankgroup.com, amesecurities.com.my

As stated in the Offer Document, MCC is the Ultimate Offeror for the Offer as MCC LABL2 is an indirect wholly-owned subsidiary of MCC.

Pursuant to Section 15 of the Code, the Board had, on 23 June 2015, appointed AmInvestment Bank as the Independent Adviser to advise the non-interested Directors of SEHB and the Holders of the Offer Shares on the fairness and reasonableness of the Offer.

As disclosed in the Offer Document, the Offeror and Ultimate Offeror do not have any direct and/or indirect interest in SEHB as at 2 July 2015.

As disclosed in the Offer Document, as at 2 July 2015, the Offeror has obtained an irrevocable undertaking from each of the following Holders to accept the Offer in respect of their entire direct shareholdings in SEHB, representing 42.46% of the voting shares of SEHB as follows:-

| Name | Direct | |
|--|----------------------|------------------------|
| | No. of shares | %^(a) |
| Goh Jui Leang (<i>Group Managing Director/Group Chief Executive Officer</i>) | 4,390,678 | 10.54 |
| Goh Juai Hian | 6,368,429 | 15.28 |
| Goh Joi Sang (<i>Non-Independent Executive Director</i>) | 5,019,424 | 12.04 |
| Layang Sempurna Sdn Bhd | 1,918,253 | 4.60 |
| Total | 17,696,784 | 42.46 |

Note:-

(a) Based on 41,676,000 SEHB Shares (being the total issued and paid-up capital of SEHB excluding 135,000 SEHB Shares held as treasury shares as at LPD)

A copy of the Offer Document, which sets out the details, terms and conditions of the Offer as well as the procedures for acceptance of the Offer, had been posted to the Holders on 8 July 2015.

You are advised to read both this IAC together with the Offer Document and consider carefully the recommendations contained herein before taking any action.

The SC had vide its letter dated 14 July 2015 granted its consent to the content of this IAC in relation to the Offer. However, such consent shall not be taken to imply that the SC agrees with the views and recommendation of AmInvestment Bank as contained in this IAC but only that this IAC has complied with the relevant disclosure requirements under the Code.

The purpose of this IAC is to provide the Holders with information on the Offer, our independent evaluation of the terms and conditions of the Offer together with our recommendation thereon, subject to the scope of our role and evaluation specified herein. Holders should nonetheless rely on their own examination of the merits of the Offer before making a decision on the course of action to be taken in respect of the Offer.

This IAC is solely for the use of the Holders for the purpose of considering the Offer and should not be used or relied upon by any other party. We advise the Holders to read this IAC together with the Offer Document. If the Holders have any doubt as to the course of action the Holders should take in relation to the Offer, the Holders should consult their professional adviser(s) immediately.

2. SALIENT TERMS OF THE OFFER

The salient terms and conditions of the Offer are as set out below.

2.1 Consideration for the Offer

The consideration for the Offer is RM3.80 per Offer Share and shall be satisfied in cash. For information, as stated in the Offer Document, the Offer Price is the price at which the Offeror is willing to acquire the Offer Shares after taking into consideration the historical market price of SEHB Shares.

Notwithstanding this, if SEHB declares, makes or pays any dividends and/or other distributions on or after the date of the Notice but prior to the Closing Date and the Holder is entitled to retain such dividends and/or distributions, the Offer Price shall be reduced by the quantum of the net dividends and/or distributions per SEHB Share which such Holder is entitled to.

As at LPD, based on announcements made by SEHB, SEHB has not declared, made or paid any dividends and/or other distribution on or after the date of the Notice.

Holder may accept the Offer in respect of all or any part of their Offer Shares. The Offeror will not pay fractions of a sen to the Accepting Holder(s). Entitlement to the cash payment will be rounded down to the nearest whole sen.

2.2 Condition of the Offer

The Offer is conditional upon the Offeror having received on or before the Closing Date, valid acceptances (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, together with such SEHB Shares that are already acquired, held or entitled to be acquired or held, **more than 90%** of the voting shares of SEHB.

The Acceptance Condition shall be fulfilled by 5.00 p.m. (Malaysian time) on or before the First Closing Date or any extension or revision in accordance with the Code, which should not be later than the sixtieth (60th) day from the Posting Date, failing which the Offer shall lapse and the Offer will cease to be capable of further acceptances and all acceptances shall be returned to Holders who have accepted the Offer and the Offeror will thereafter cease to be bound by any such prior acceptances of the Offer.

2.3 Duration of the Offer

The Offer will remain open for acceptances until 5.00 p.m. (Malaysian time) on 29 July 2015, being the First Closing Date. However, depending on the level of acceptances, the Offeror may extend or revise the date and time for acceptance of the Offer beyond the First Closing Date in accordance with the Code. Any such extension will be announced by MIDF Investment, on behalf of the Offeror, at least two (2) days before the First Closing Date and the Offer will remain open for acceptances for a period of at least fourteen (14) days from the First Closing Date. Any subsequent extension of time of the Closing Date shall be announced by MIDF Investment, on behalf of the Offeror, at least two (2) days before the Closing Date and shall be open for a period of at least fourteen (14) days from the announcement. Notices of such extension will be posted to the Holders accordingly.

Please refer to Section 2, Appendix II of the Offer Document for further details on the duration of the Offer.

2.4 Method and expected date of settlement

If the Offeror deems the acceptance to be complete and valid in all respects in accordance with the terms and conditions set out in the Offer Document, settlement of the consideration for the Offer will be effected via remittance in the form of cheque(s), banker's draft(s) or cashier's order(s) which will be despatched by ordinary mail to the Accepting Holders (or their designated agents, as they may direct) at the Accepting Holders' registered Malaysian address last maintained with Bursa Malaysia Depository Sdn Bhd at their own risk within ten (10) days from:

- (a) the date the Offer becomes or is declared 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 unconditional.

Please refer to Appendix II of the Offer Document for the other terms of the Offer and Appendix III of the Offer Document for the procedures for acceptance and method of settlement of the Offer.

Holders are not required to take any action if you do not wish to accept the Offer.

3. ACCEPTANCES

As disclosed in the Offer Document, as at 2 July 2015, the Offeror has obtained an irrevocable undertaking from the each of the following Holders to accept the Offer in respect of their entire direct shareholdings in SEHB, representing 42.46% of the voting shares of SEHB as follows:

| Name | Direct | |
|--|-------------------|------------------|
| | No. of shares | % ^(a) |
| Goh Jui Leang (<i>Group Managing Director/Group Chief Executive Officer</i>) | 4,390,678 | 10.54 |
| Goh Juai Hian | 6,368,429 | 15.28 |
| Goh Joi Sang (<i>Non-Independent Executive Director</i>) | 5,019,424 | 12.04 |
| Layang Sempurna Sdn Bhd | 1,918,253 | 4.60 |
| Total | 17,696,784 | 42.46 |

Note:-

- (a) Based on 41,676,000 SEHB Shares (being the total issued and paid-up capital of SEHB excluding 135,000 SEHB Shares held as treasury shares as at LPD)

As at the LPD, there is no announcement made by MIDF Investment of any acceptance of the Offer Shares.

As at the LPD, to the best knowledge of the Board, save as disclosed above, no person (whose interests in the voting shares in SEHB, whether direct or indirect, which are required to be disclosed under the Code) had accepted or had given an irrevocable undertaking to accept the Offer.

4. LIMITATIONS TO THE EVALUATION OF THE OFFER

An Investment Bank was not involved in deliberation or negotiation pertaining to the terms of the Offer. Our scope as Independent Adviser is limited to expressing an independent opinion on the terms of the Offer based on the information and documents provided to us or are made available to us, including the following :-

- (a) information contained in the Offer Document;
- (b) annual reports of SEHB for the past three (3) years up to FYE 31 March 2014 and the unaudited results of SEHB for the FYE 31 March 2015;
- (c) discussions with and relevant information furnished to us by the management of SEHB (both orally and in writing); and
- (d) other publicly-available information.

We have relied on SEHB's Directors and its management to take due care to ensure that all the information, documents and representations provided to us by them to facilitate our evaluation are accurate, valid and complete in all material aspects.

The Board has individually and collectively accepted responsibility for the accuracy of the information in relation to SEHB provided and contained herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, all relevant facts and information in relation to SEHB that is necessary for our evaluation have been accurately disclosed to us and there is no omission of any material fact, the omission of which would render any information in relation to SEHB provided to us false and misleading. Based on due enquiries made, we are satisfied that the information furnished to us is sufficient and we have no reason to believe that the information is unreliable, incomplete, misleading or inaccurate as at the LPD. For clarification, we have not conducted any audit on the information furnished to us.

Our evaluation and recommendation expressed herein are based on the considerations set out in the ensuing sections of this IAL, prevailing market, economic and industry as at the LPD. Such conditions may change significantly over a short period of time, given the fluctuations which may take place in the global and domestic economic environment. Accordingly, our evaluation and opinion in this IAL do not take into account the information, events and conditions arising after the LPD.

We shall immediately notify the Holders if, after dispatching this IAC, as guided by Paragraph 3.28 under Practice Note ("PN") 15 of the Code, we:-

- (a) become aware of a significant change affecting the information contained in this IAC;
- (b) have reasonable grounds to believe that a material statement in this IAC is misleading or deceptive; or
- (c) have reasonable grounds to believe that there is material omission in this IAC.

If circumstances require, we will endeavour on best effort basis to send a supplementary IAC to the Holders or make it available publicly.

In preparing this IAL, we have taken into consideration those factors that we believe are of general importance to an assessment of the terms of the Offer and therefore of general concern to the general body of non-interested shareholders, and our evaluation is rendered solely for the benefit of the non-interested SEHB shareholders as a whole. We have not taken into consideration any specific investment objectives, financial situation and particular needs of any individual Holder or any specific group of Holders.

We recommend that Holders who require specific advice in relation to the Offer in the context of their individual investment objectives, financial situation or particular needs, to consult their professional advisers immediately.

5. EVALUATION OF THE OFFER

In arriving at our opinion on the terms of the Offer, we have assessed the fairness and reasonableness of the Offer in accordance with Paragraphs 3.1 to 3.6 under PN 15 of the Code, where the term “fair and reasonable” should generally be analysed as two (2) distinct criteria, i.e. whether the offer is “fair” and whether the offer is “reasonable”, rather than as a composite term.

In accordance with Paragraph 3.2 under PN 15 of the Code, the Offer Price is considered as “fair” if it is equal to or higher than the market price and value of the Offer Shares. However, if the Offer Price is equal to or higher than the market price, but is lower than the value of the Offer Shares, the Offer Price is considered as “not fair”.

In accordance with Paragraph 3.4 under PN 15 of the Code, generally, a take-over offer would be considered “reasonable” if it is “fair”.

We have considered the following pertinent factors in our evaluation of the Offer:-

| Fairness of the Offer | Section |
|--|----------------|
| (a) financial evaluation of the Offer; and | 5.1.1 |
| (b) historical share price performance | 5.1.2 |
| Reasonableness of the Offer | Section |
| (a) no competing offer | 5.2.1 |

5.1 Fairness of the Offer

5.1.1 Financial evaluation of the Offer

In our financial evaluation of the Offer, we have taken the following into consideration:-

(a) Value of SEHB Shares

EV/EBITDA multiple valuation methodology is a relative valuation approach used to provide an indication of market expectations on the valuation of companies as compared to its peers. EV is an economic measure reflecting the market value of an entire business. EV is calculated as market capitalisation plus debt and non-controlling interests, minus total cash and cash-equivalents.

We are of the view that the EV/EBITDA multiple valuation methodology is the most appropriate in ascribing a value to the SEHB Shares on the basis that:-

- (i) SEHB is involved in manufacturing and has been operating profitably throughout the period under review, as detailed in Section 6 of Appendix I. Earnings is generally considered to be a key determinant of the value of a manufacturing-based company.

- (ii) the EV/EBITDA multiple valuation methodology:-
- (1) is capital structure-neutral and is not affected by the different leverage level and borrowing cost;
 - (2) is not affected by differences in accounting of depreciation and amortisation which can be accounted at different rates over time; and
 - (3) controls for different levels of capital expenditure required in different companies as EBITDA excludes the cost of big upfront investment or infrastructure,

Based on the above, we have computed the value of SEHB Shares based on the following assumptions:-

- SEHB exercises all the options pursuant to the Option Arrangement for a consideration of approximately RM13.65 million; and
- PT Super Labels Indonesia, S.E. Industries (Philippines) Inc, S.E. Printing (M) Sdn Bhd and S.E. Industries (Thailand) Co are wholly-owned by SEHB.

Based on the SEHB Group's unaudited consolidated financial statements for the FYE 31 March 2015 and the EV/EBITDA multiples of the Comparable Companies as detailed in Section 5.1.1(b) of this IAL, the value of SEHB Shares can be deemed as follows:

| | | Minimum | Maximum |
|---|----------------------|-------------------|-------------------|
| Comparable Companies' EV/EBITDA | A | 5.36 times | 6.75 times |
| SEHB Group's EBITDA (RM'000) | B | RM 23,555 | RM 23,555 |
| EV of SEHB Group (RM'000) | C = A x B | RM 126,255 | RM 158,996 |
| Less: Debts attributable to SEHB Group (RM'000) | D | (RM 10,534) | (RM 10,534) |
| Add: Cash and cash-equivalents attributable to SEHB Group (RM'000) ^(a) | E | RM 14,227 | RM 14,227 |
| Equity value of the SEHB Group (RM'000) | F = C - D + E | RM 129,948 | RM 162,689 |
| No. of SEHB Shares in issue (net of treasury shares) ('000) | G | 41,676 | 41,676 |
| Value per SEHB Share | H = F / G | RM 3.12 | RM 3.90 |

Note:

- (a) Based on SEHB's cash and cash equivalent balances as at 31 March 2015 and after deducting the assumed RM13.65 million consideration paid for SEHB's exercise of the Option Arrangement to derive the deemed surplus cash on the basis that current assets excluding surplus cash exceeds current liabilities.

Comments

Based on the above, we are of the opinion that the appropriate valuation range per SEHB Share is RM3.12 to RM3.90.

We note that the Offer Price of RM3.80 is at the higher end of our valuation range of RM3.12 to RM3.90 per SEHB Share.

(b) Trading comparable analysis

SEHB Group manufactures and distributes labels and stickers, and trades labelling machines and hand labellers. SEHB also manufactures name plates for display screens as well as provides quality inspection services on printed materials. The customers of the SEHB Group are mainly from the electronic and electrical, pharmaceutical, personal care, automotive and food industries.

Save for KomarkCorp Berhad which has a negative twelve (12) months trailing EBITDA, based on publicly available information as at the LTD, and thus unsuitable to be used as a comparable, we note that there is no company listed on Bursa Securities which is identical or even similar to the SEHB Group in terms of key business characteristics.

For comparison purposes, on a best effort basis, we have selected a list of Comparable Companies as set out below which are profitable, listed on the Main Market of Bursa Securities and involved in the printing and packaging business for the consumer goods industry, on the basis that SEHB principally prints and supplies, among other, labels and stickers to players in the same consumer goods industry.

Please note that these Comparable Companies are not directly comparable to SEHB due to differences in various factors such as but not limited to business composition, operations, geographical spread of activities, track record, market standing, customers base, financial position, risk profile, accounting and tax policies and prospects etc. Nevertheless, we are of the view that these Comparable Companies can be used as a reference to ascertain the fairness of the Offer Price premised on the basis of selecting these Comparable Companies as explained in the preceding paragraph.

Brief profiles of the Comparable Companies are set out in the table below:-

| <u>Comparable Companies</u> | <u>Principal activities</u> |
|---|--|
| CYL Corporation Berhad ("CYL") | CYL is an investment holding company. The company, through its subsidiaries, manufactures and supplies plastic packaging products. |
| Tomypak Holdings Berhad ("THB") | THB is an investment holding company. Through its subsidiaries, the company manufactures and trades plastic packaging materials, polyethylene, polypropylene films and sheets, and thermoforming sheets. |
| Tien Wah Press Holdings Berhad ("TWPH") | TWPH is an investment holding company. The company's subsidiaries' businesses include photo-lithographer and printing, specialized book printer and printing, folding carton converter, and rotogravure printing. TWPH also manufactures and sells standard and perforated tipping papers, laminated papers, foil products, and other paper converting activities. |

| Comparable Companies | Principal activities |
|---|---|
| Advanced Packaging Technology (M) Berhad (“APTB”) | APTB manufactures and distributes flexible packaging materials such as oriented polypropylene, cellophane, polyester, and poster paper. |

(Source: Bloomberg)

We wish to highlight that the above companies including SEHB have different operating margins. The different margins can be attributable to, but not limited to, differences in pricing, products, raw materials used in manufacturing, manufacturing process and efficiency, distribution network, customers base, labour productivity, technology, relationships with suppliers etc.

The Comparable Companies’ financial statistics are set out against SEHB in the table below:-

| Comparable Companies | Market capitalisation^(a) (RM’mil) | EV^(a)/ trailing EBITDA^(b) (times) | PBR (times) |
|-----------------------------|---|--|------------------------|
| CYL | 69.0 | 5.36x | 0.94x |
| THB | 174.9 | 6.38x | 1.52x |
| TWPH | 168.9 | 5.51x | 0.70x |
| APTB | 43.0 | 6.75x | 1.39x |
| | High | 6.75x | 1.52x |
| | Low | 5.36x | 0.70x |

SEHB:-

| | | | |
|---|---------------|----------------------------|--------------|
| Offer multiples based on - latest 12 months trailing results | 158.37 | 6.57x^(c) | 1.57x |
|---|---------------|----------------------------|--------------|

(Source: Bloomberg and the respective annual reports and quarterly reports of the Comparable Companies and SEHB)

Notes:-

- (a) Based on the closing market price of the respective Comparable Companies of SEHB on 16 June 2015, being the LTD.
- (b) Based on the respective trailing financial results up to the LTD.
- (c) After deducting the exercise price payable to the grantors of the options of approximately RM13.65 million, assuming SEHB exercises all the options pursuant to the Option Arrangement

Comments

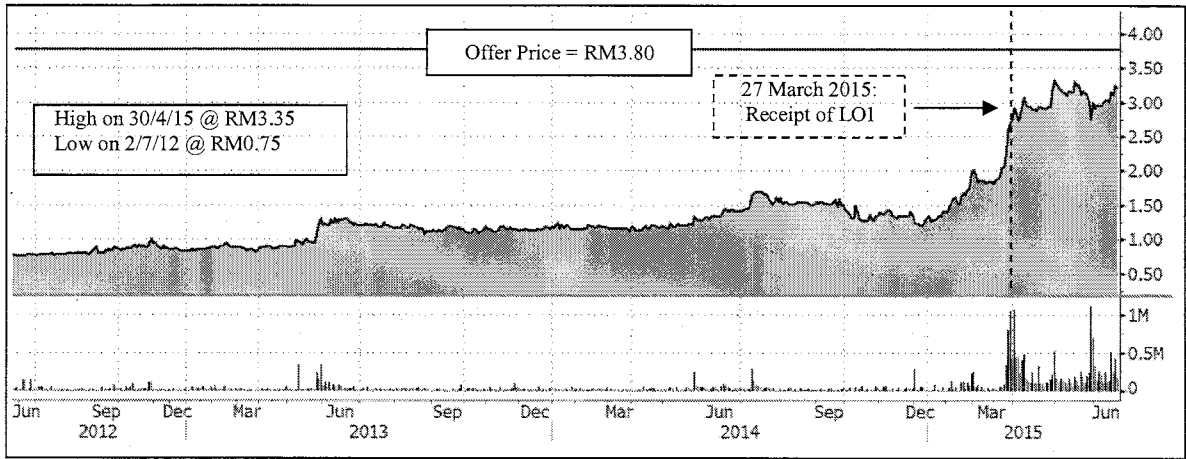
The Offer EV/EBITDA of 6.57 times is at the higher end of the range of EV/EBITDAs (5.36 times to 6.75 times) of the Comparable Companies.

Additionally, the Offer PBR of 1.57 times is above the range of PBRs (0.7 times to 1.52 times) of the Comparable Companies.

Holders should note that the Comparable Companies analysis of trailing EV/EBITDA and PBR are not the only criteria for consideration and should also take into account the other areas of evaluation in the IAL in arriving at a decision to accept or reject the Offer.

5.1.2 Historical share price performance

The diagram below sets out the daily closing price movements and trading volume of SEHB Shares for the past three (3) years up to and including the LTD:-



(Source: Bloomberg)

We have compared the Offer Price against the historical market prices of SEHB Shares at two (2) reference dates as follows:-

- 26 March 2015, the last trading day prior to the date of LOI of 27 March 2015; and
- 16 June 2015, the last trading day prior to the date of the Notice of 17 June 2015

| SEHB Share Price | Price (RM) | Offer Premium (RM) | (%) |
|---|-----------------------|-------------------------------|------------|
| VWAP up to 26 March 2015 (last trading day prior to the date of the LOI) | | | |
| Closing market price as at 26 March 2015 | 2.58 | 1.22 | 47.29 |
| Five (5)-day | 2.38 | 1.42 | 59.66 |
| One (1)-month | 2.20 | 1.60 | 72.73 |
| Three (3)-month | 2.03 | 1.77 | 87.19 |
| Six (6)-month | 1.82 | 1.98 | 108.79 |
| One (1)-year | 1.67 | 2.13 | 127.54 |

| <u>SEHB Share Price</u> | <u>Price (RM)</u> | <u>Offer Premium (RM)</u> | <u>(%)</u> |
|---|-----------------------|-------------------------------|------------|
| VWAP up to 16 June 2015 (last trading day prior to the date of Notice) | | | |
| Closing market price as at 16 June 2015 | 3.20 | 0.60 | 18.75 |
| Five (5)-day | 3.14 | 0.66 | 21.02 |
| One (1)-month | 2.99 | 0.81 | 27.09 |
| Three (3)-month | 2.91 | 0.89 | 30.58 |
| Six (6)-month | 2.80 | 1.00 | 35.71 |
| One (1)-year | 2.61 | 1.19 | 45.59 |
| As at the LPD | | | |
| - Closing market price | 3.56 | 0.24 | 6.74 |
| - Five (5)-day VWAP | 3.56 | 0.24 | 6.74 |

(Source: Bloomberg)

Comments

For the past three (3) years up to the LTD, SEHB Shares had been consistently trading below the Offer Price of RM3.80. During this period and up to 26 February 2015, SEHB Shares had been traded below RM2.00. We note that SEHB Shares prices increases and traded in the range of RM1.75 to RM2.65 in between 27 February 2015 to 26 March 2015 although there were no announcements made by SEHB. SEHB Share prices continued to rise gradually post the LOI announcement on 1 April 2015 and traded in the range RM2.60 to RM3.40 until the receipt of Notice on 17 June 2015.

The Offer Price represents a premium ranging from RM1.22 to RM2.13 (47.29% to 127.54%) per SEHB Share over the closing market price as at 26 March 2015, five (5)-day, one (1)-month, three (3)-month, six (6)-month and one (1)-year VWAPs up to 26 March 2015, being the last trading day prior to the date of the LOI.

The Offer Price represents a premium ranging from RM0.60 to RM1.19 (18.75% to 45.59%) per SEHB Share over the closing market price as at 16 June 2015, five (5)-day, one (1)-month, three (3)-month, six (6)-month and one (1)-year VWAPs up to 16 June 2015, being last trading day prior to the date of the Notice.

The Offer Price represents a premium ranging from RM0.15 to RM0.30 (4.11% to 8.57%) per SEHB Share over the traded SEHB Share prices subsequent to the announcement of the Notice on 17 June 2015 up to the LPD.

There is no assurance that the market price of SEHB Shares will remain trading at this level going forward should the Offer fail to become unconditional.

5.1.3 Our views on the fairness of the Offer Price

We have evaluated the fairness of the Offer Price in accordance with Paragraph 3.2 under PN 15 of the Code. Based on our analysis as set out in Sections 5.1.1 and 5.1.2 above, we are of the opinion that the Offer Price of RM3.80 is **FAIR**, premised on the following:-

- The Offer Price is at the higher end of the range of values of RM3.12 to RM3.90 accorded to each SEHB Share based on the EV/EBITDA valuation methodology;

- The Offer Price represents an EV/EBITDA of 6.57 times which is at the higher end of the range of trailing EV/EBITDAs (5.36 times to 6.75 times) of the Comparable Companies;
- The Offer Price represents:-
 - (a) a premium ranging from RM1.22 to RM2.13 (47.29% to 127.54%) per SEHB Share over the closing market price as at 26 March 2015, five (5)-day, one (1)-month, three (3)-month, six (6)-month and one (1)-year VWAPs up to 26 March 2015, being the last trading day prior to the date of the LOI;
 - (b) a premium ranging from RM0.60 to RM1.19 (18.75% to 45.59%) per SEHB Share over the closing market price as at 16 June 2015, five (5)-day, one (1)-month, three (3)-month, six (6)-month and one (1)-year VWAPs up to 16 June 2015, being the LTD;
 - (c) a premium ranging from RM0.15 to RM0.30 (4.11% to 8.57%) per SEHB Share over the traded SEHB Share prices subsequent to the announcement of the Notice on 17 June 2015 up to the LPD; and
 - (d) the highest price as compared to the historical share prices of the SEHB Shares traded over the past three (3) years up to the LPD.

Further, SEHB Shares have not traded above the Offer Price for the past three (3) years up to the LPD.

Notwithstanding the above, Holders are reminded that the market prices of SEHB Shares shown represent the historical trading prices of SEHB Shares and are affected to a varying extent by changes in, *inter alia*, company-specific factors such as the performance and prospects of the SEHB Group as well as prevailing market, economic, industry, monetary and other general macroeconomic conditions. Accordingly, the historical market prices of SEHB Shares may not be a reliable indicator of the future trading performance of SEHB Shares, and should not in any way be relied upon as an indication of the future trading pattern and performance of SEHB Shares.

Holders are advised to closely monitor the market prices of SEHB Shares and evaluate the Offer Price before deciding whether to accept or reject the Offer for your Offer Shares prior to the Closing Date.

5.2 Reasonableness of the Offer

5.2.1 No competing offer

As at the LPD, save for the Offer, the Board has confirmed that SEHB has not received any other offer for its SEHB Shares or its business, assets and liabilities. Furthermore, as announced on 17 June 2015, the Board does not intend to seek an alternative offer for the SEHB Shares. Thus, the Offer provides an exit opportunity to the Holders to realise their investment in SEHB Shares at the Offer Price.

Premised on the above, we are of the view that the Offer is **REASONABLE**.

6. INDUSTRY OVERVIEW AND PROSPECTS OF THE SEHB GROUP

The SEHB Group manufactures and distributes labels and stickers, and trades labelling machines and hand labellers. SEHB also manufactures name plates for display screens as well as provides quality inspection services on printed materials. The customers of the SEHB Group are mainly from the electronic and electrical, pharmaceutical, personal care, automotive and food industries. As the Malaysian operations contributed to more than 80% of the SEHB Group's profitability (based on the unaudited consolidated financial statements for the FYE 31 March 2015), the discussion set out in this section is primarily focused on Malaysia.

For information, the SEHB Group's revenue has been gradually increasing for the past four (4) financial years from 2012 to 2015. For the FYE 31 March 2015, the SEHB Group recorded a revenue of RM140 million, a substantial increase comparing to the RM103.9 million revenue for the FYE 31 March 2012.

The SEHB Group's net profit has been fluctuating over the same period with SEHB Group's PAT reaching a low of RM2.6 million for the FYE 31 March 2012 and a high of RM11.1 million for FYE 31 March 2013. Excluding the RM3.7 million one off gains net of tax arising from the disposal of group companies and foreign exchange gain, the RM11.1 million net profit for FYE 31 March 2013 would be lower at RM7.4 million. The net profit of RM10.5 million for the FYE 31 March 2015 included a foreign exchange gain net of tax of RM2.9 million and excluding this, the adjusted profit is RM7.6 million.

Please refer to Section 6 of Appendix I for further details on the historical consolidated financial statements of the SEHB Group.

Overview and Prospects of Malaysia's Economy

The Malaysian economy registered a growth of 5.6% in the first quarter of 2015 (4Q 2014: 5.7%), underpinned mainly by the private sector demand. On the supply side, growth was supported by the major economic sectors. On a quarter-on-quarter seasonally-adjusted basis, the economy recorded a growth of 1.2% (4Q 2014: 1.8%).

Private sector activity remained the key driver of growth during the quarter. Private consumption expanded at a stronger pace of 8.8% (4Q 2014: 7.6%), supported by stable labour market conditions and higher wage growth. The strong private consumption growth was also contributed by the flood relief efforts early in the year, and the frontloading of household spending prior to the implementation of GST. Private investment recorded a growth of 11.7% (4Q 2014: 11.1%), underpinned by capital expenditure in the manufacturing and services sectors. Growth in public consumption improved in the first quarter (4.1%; 4Q 2014: 2.5%), due to higher growth in supplies and services amid moderate growth in emoluments. Public investment turned around to register a positive growth of 0.5% (4Q 2014: -1.9%) following higher capital spending by the Federal Government.

On the supply side, growth in the first quarter was supported by the major economic sectors. The services sector was underpinned by growth in all sub-sectors, particularly consumption-related sub-sectors. Growth in the manufacturing sector was supported by stronger performance in the export-oriented industries, particularly the E&E cluster. The construction sector was supported mainly by the non-residential and residential sub-sectors, while the mining sector continued to record stronger growth amid higher crude oil production. Meanwhile, the agriculture sector contracted as a result of lower palm oil production, arising from flood-related disruptions.

The Malaysian economy is expected to remain on a steady growth path. Domestic demand will remain the key driver of growth amid the lower oil prices. Investment activity is projected to remain resilient, with continued capital spending by both the private and public sectors. While private consumption is expected to moderate as households adjust to the introduction of the GST, the steady rise in income and stable labour market conditions would support household spending. The recovery in global growth while remaining moderate, will provide support to manufactured exports, although lower commodity prices will likely weigh down on overall exports.

(Source: Bank Negara Malaysia, Quarterly Bulletin- First Quarter 2015 "Economic And Financial Developments In Malaysia In The First Quarter Of 2015", www.bnm.gov.my)

The Eleventh Malaysia Plan, 2016-2020 ("**Plan**"), is the final leg in the journey towards realising Vision 2020. Launched in 1991, Vision 2020 envisions Malaysia as a fully developed country along all dimensions - economically, politically, socially, spiritually, psychologically, and culturally - by the year 2020. Emboldened by the great strides made in the last half decade, the Plan reaffirms the Government's commitment to a vision of growth that is anchored on the prosperity and wellbeing of its rakyat. The Plan is premised on a progressive and united Bangsa Malaysia that shares a common commitment towards building a better Malaysia for all Malaysians.

During the Plan, real gross domestic product ("**GDP**") is targeted to expand between 5%-6% per annum. The Gross National Income ("**GNI**") per capita is expected to reach USD15,690 (RM54,100) and therefore exceed the USD15,000 minimum threshold of a high-income economy. The Plan is expected to create 1.5 million jobs by 2020, with targeted improvements in labour productivity through the continuous shift from labour-intensive to knowledge- and innovation-based economic activities. Growth will be driven by the private sector with private investment expanding at 9.4% per annum. All economic sectors will witness strong growth with the manufacturing and services sectors contributing more than 75% of GDP. The external sector is also expected to contribute positively with recovery in exports and the current account of the balance of payments is projected to remain in surplus at 2.6% of GNI. The Federal Government fiscal position is expected to consolidate further and achieve a balanced budget by 2020. Inflation is expected to remain benign, below 3%, and the economy is anticipated to maintain full employment. Malaysia's economic fundamentals will be strengthened to achieve sustainable growth by ensuring stable prices and exchange rates, and an adequate level of savings as a source of investible resources. The Government will also promote private consumption, as well as private investment in agriculture, manufacturing, and services to spearhead economic growth, and increase exports by improving product competitiveness, promoting services exports, and diversifying markets. More prudent fiscal management will be introduced to enhance fiscal flexibility, and measures will be undertaken to unlock the potential of productivity to ensure sustainable and inclusive growth.

(Source: Eleventh Malaysia Plan 2016-2020, www.epu.gov.my)

Overview and outlook of the manufacturing industry in Malaysia

Private investment recorded a growth of 11.7% (4Q 2014: 11.1%), underpinned by capital expenditure in the manufacturing and services sectors. Growth in the manufacturing sector was supported by stronger performance in the export-oriented industries, particularly the E&E cluster.

While private consumption is expected to moderate as households adjust to the introduction of the GST, the steady rise in income and stable labour market conditions would support household spending. The recovery in global growth while remaining moderate, will provide support to manufactured exports, although lower commodity prices will likely weigh down on overall exports.

(Source: Bank Negara Malaysia, Quarterly Bulletin- First Quarter 2015 "Economic And Financial Developments In Malaysia In The First Quarter Of 2015", www.bnm.gov.my)

A positive development for Malaysia's exports in 2015 is the expected improvement in the United States of America's ("US") economy and the sustained growth of regional economies. Lower energy prices are expected to provide a lift to consumption and investment spending in net oil-importing economies such as the US, People's Republic of China and regional economies which are Malaysia's key trading partners. In addition, the global demand for mobile devices, tablets and automotive sensors continues to be strong. These developments are expected to drive Malaysia's manufactured exports (77% of total exports), in particular E&E and non-resource based exports.

The manufacturing sector is expected to continue to expand in 2015 despite slower growth in key clusters. While the lower oil prices will affect the production of petroleum-related products, growth in the export-oriented cluster will be supported by the sustained demand for Malaysia's E&E goods. Growth in the consumer- and construction-related clusters will remain supported by the favourable domestic demand conditions.

(Source: Bank Negara Malaysia Annual Report 2014, www.bnm.gov.my)

Overview and outlook of private consumption in Malaysia

After registering five consecutive years of above average growth rates following the crisis in the advanced economies, private consumption is projected to grow by 6.0% in 2015 (2014: 7.1%). The implementation of the GST in April 2015 may have some effect on household spending. This will, however, be partially offset by the Government's measures to assist targeted groups, the additional household disposable income from lower fuel prices, and the favourable labour market conditions. The targeted Government assistance to low- and middle-income groups is expected to provide support to private consumption. These include the higher amount of *Bantuan Rakyat 1Malaysia (BR1M)* cash transfers, the RM100 cash assistance programme to primary and secondary school students, and the *Baucar Buku 1Malaysia (BB1M)* for Malaysian students in higher learning institutions. The reduction of individual income tax rates by one to three percentage points with the implementation of the GST is also expected to increase the household disposable income. The lower fuel prices will support household spending in two ways: through savings from paying lower prices for fuel and from lower inflation. All these factors are expected to raise disposable income and consequently, support consumption spending.

(Source: Bank Negara Malaysia Annual Report 2014, www.bnm.gov.my)

Private consumption strengthened by 8.8% (Q4 2014: 7.6%) supported by continued wage growth and lower inflation as well as pre-GST spending. Private consumption was also supported by increased spending especially on food and beverage as well as other daily necessities following the massive floods in the east coast. The increased private consumption was reflected in major consumption indicators such as credit card spending, passenger car sales and imports of consumption goods.

(Source: Ministry of Finance Malaysia, First Quarter 2015 "Quarterly Update on the Malaysian Economy", www.treasury.gov.my)

Private consumption is expected to moderate as households adjust to the introduction of the GST, the steady rise in income and stable labour market conditions would support household spending. The recovery in global growth while remaining moderate, will provide support to manufactured exports, although lower commodity prices will likely weigh down on overall exports.

(Source: Bank Negara Malaysia, Quarterly Bulletin- First Quarter 2015 "Economic And Financial Developments In Malaysia In The First Quarter Of 2015", www.bnm.gov.my)

Prospect of the SEHB Group

The SEHB Group's operating environment is expected to remain challenging. This can be attributed to, among others, highly competitive markets conditions, pricing pressure, availability of alternative sources of supply, emergence of new players and the anticipated decrease in consumer demand as a result of the recently introduced GST.

To maintain its competitive edge, the SEHB Group is committed to investing in technology and new machines for higher quality products to meet customers' demand. The SEHB Group constantly reviews its systems and processes to enhance its operational efficiency, productivity and pricing competitiveness. The SEHB Group also leverages on the relationships it has fostered with its customers over the years to grow its revenue.

Going forward, the SEHB Group intends to continually emphasize on cost rationalisation, operational productivity and efficiency enhancement, maintaining its high quality service and products, as well as capitalise on opportunities in the market to penetrate new markets and develop new customer relationships.

The Board is of the view that the SEHB Group's prospects should be positive with the various measures in place to improve the SEHB Group's profitability in the face of the competition in the industry and the overall Malaysian economy.

(Source: Management of the SEHB Group)

Comments

The SEHB Group's activities mainly consist of manufacturing and distributing labels and stickers, and trading of labelling machines and hand labellers for the electronic and electrical, pharmaceutical, personal care, automotive and food industries. The demand for labels and stickers manufactured by the SEHB Group is dependent to a certain extent on the household's private consumption.

We note that the Malaysian economy is expected to remain on a steady growth path due mainly to positive domestic demand conditions. Amidst a backdrop of lower oil prices, household spending is expected to be supported by higher disposal income as a result of lower individual income tax,

Based on the above, we believe that the manufacturing sector is expected to remain sturdy as supported by Malaysia's sustained private domestic demand steering the overall growth. Accordingly, the prospect of the SEHB Group is expected to remain moderately positive. Notwithstanding the aforementioned measures undertaken by the SEHB Group, there remains a drawback stemming from the uncertain external economic environment, which may inevitably exert downward pressure on the Malaysian economy and thus, affecting overall business sentiment and including the SEHB Group's business and financial performance.

7. THE OFFEROR'S PLANS FOR THE SEHB GROUP

In evaluating the Offer, it is pertinent to consider the Offeror's plans for the SEHB Group.

(a) Listing status of SEHB

Under Paragraph 8.02(1) of the Listing Requirements, a listed corporation must ensure that at least twenty-five percent (25%) of its total listed shares (excluding treasury shares) are held by public shareholders to ensure its continued listing on the Main Market of Bursa Securities. Bursa Securities may accept a percentage lower than twenty-five percent (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 corporation which fails to maintain the required public shareholding spread 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 corporation pursuant to Paragraph 16.02(1) of the Listing Requirements. However, the non-compliance of the public shareholding spread requirement would not automatically result in the de-listing of the listed corporation from the official list of Bursa Securities. The suspension will only be uplifted upon full compliance with the required public shareholding spread or as may be determined by Bursa Securities.

In relation to a take-over offer for the acquisition of the listed shares of a listed corporation pursuant to the Code, upon ninety percent (90%) or more of the listed shares (excluding treasury shares) of the said listed corporation being held by a shareholder either individually or jointly with associates of the shareholder, an immediate announcement must be made by the listed corporation. Bursa Securities shall suspend the trading in the listed corporation's securities immediately upon the expiry of five (5) Market Days from the close of the offer period if the listed corporation had made an announcement that the offeror does not intend to maintain the listed corporation's listing status.

The Offeror has stated in the Offer Document that they do not intend to maintain the listing status of SEHB or take any step to address the shortfall in the public shareholding spread of SEHB. In addition, the Offeror will also procure SEHB to take the requisite steps to withdraw its listing status in accordance with Chapter 16 of the Listing Requirements in the event that the 90% voting shares Acceptance Condition is met.

Comments

We note that it is not the intention of the Offeror to maintain the listing status of SEHB on the Main Market of Bursa Securities and that the Offeror does not intend to take any steps to address any shortfall in the public shareholding spread of SEHB pursuant to the Offer.

We also note that the Offer will become unconditional in the event the Acceptance Condition is met, i.e. the Offeror having received valid acceptances which would result in the Offeror holding in aggregate (together with such SEHB Shares that are already acquired, held or entitled to be acquired or held), more than 90% of the voting shares of SEHB (excluding the treasury shares).

Accordingly, as explained above, Holders should note that in the event the Offer becomes unconditional, Bursa Securities shall suspend the trading in SEHB Shares after due notice. SEHB shall be delisted subsequently as the Offeror will procure SEHB to take the requisite steps to withdraw its listing status from the Official List of Bursa Securities. SEHB Shares will not be traded on Bursa Securities.

In the event the Acceptance Condition is met and the Offer becomes unconditional, the Offeror has stated that it intends to invoke Section 222 (1) of the CMSA to compulsorily acquire all the Offer Shares held by the Dissenting Shareholders subject to Section 224 of the CMSA.

Holders are advised to closely monitor press releases and/or announcements made in relation to the level of acceptances and the outcome of the Offer.

(b) Compulsory acquisition and rights of minority shareholders

Section 222(1) of the CMSA provides that, subject to Section 224 of the CMSA, where within four (4) months after the making of the take-over offer, the offer has been accepted by the holders of not less than nine-tenths (9/10) in the nominal value of those shares (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 CMSA and the Code to any Dissenting Shareholder that it desires to acquire his/her or its shares together with a statutory declaration by the offeror that the conditions for giving the notice are satisfied.

If the Offer has been accepted by the Holders of not less than nine-tenths (9/10) in the nominal value of the Offer Shares (excluding SEHB Shares already held by the Offeror and its persons acting in concert as at the date of the Offer, if any), the Offeror intends to invoke the provisions under Section 222(1) of the CMSA to compulsorily acquire any outstanding Offer Shares for which valid acceptances have not been received, and necessary steps will thereafter be taken to de-list SEHB from the official list of Bursa Securities. Under such circumstance, all the Holders of these Offer Shares will be paid in cash for the Offer Shares compulsorily acquired. The consideration for the Offer Shares under such compulsory acquisition will, subject to Section 224(1) of the CMSA, be equivalent to the Offer Price and on the same terms as set out in this Offer Document.

Notwithstanding the above, if the Offeror receives acceptance from the Holders resulting in the Offeror holding not less than nine-tenths (9/10) in the nominal value of the issued and paid-up share capital of SEHB on or before the Closing Date, a Dissenting Shareholder may exercise his or its rights under Section 223 of the CMSA, by serving a notice on the Offeror to require the Offeror to acquire his or its SEHB Shares on the same terms as set out in this Offer Document or such other terms as may be agreed between the Offeror and such Dissenting Shareholder.

If a Dissenting Shareholder invokes the provisions of Section 223(1) of the CMSA, the Offeror will acquire such Offer Shares in accordance with the provisions of the CMSA, subject to Section 224 of the CMSA. Pursuant to Section 224(3) of the CMSA, when a Dissenting Shareholder exercises his/her rights under Section 223(1) of the CMSA, the court may, on an application made by such Dissenting Shareholder or by the Offeror, order that the terms on which the Offeror shall acquire such Offer Shares shall be as the court thinks fit.

Comments

As stated in Section 2.2 of this IAL, the Offer is subject to the Offeror receiving more than 90% voting shares of SEHB. In the event the Offer turns unconditional, the Offeror will have the rights to invoke the provision under Section 222(1) of the CMSA to compulsorily acquire any remaining Offer Shares for which acceptance have not received as at the Closing Date, the consideration for the Offer Shares to be compulsorily acquired will, subject to Section 224(1) of the CMSA, be equivalent to the Offer Price and based on the same terms and conditions as set out in the Offer Document.

In the event the Offeror fails to meet the Acceptance Condition, the Offeror is required to return all the Offer Shares to the Holders who have accepted the Offer prior of the Closing Date.

As set out above, a Dissenting Shareholder may exercise his/her rights under Section 223 (1) of the CMSA, subject to Section 224 of the CMSA, to require the Offeror to acquire his/her SEHB Shares, on the same terms and conditions as set out in the Offer Document.

We wish to highlight that Holders becomes entitled to exercise their rights under Section 223 of the CMSA, once the Offer turns unconditional. In the event any Holder decide to exercise his/her rights pursuant to the CMSA, the said Holder should consult his/her legal adviser immediately upon the closing of the Offer.

(c) Future plans for the SEHB Group and its employees

The Offeror does not intend to make any significant change to the business of the Group. The future plans of the Offeror for the Group and its employees following the Offer are summarised as follow:

(i) Business and operations

The Offeror intends to continue with the existing businesses of the SEHB Group. However, the Offeror will review the corporate structure and businesses of the SEHB Group from time to time and may introduce or effect change to the structure of the SEHB Group which is necessary in order to rationalise the businesses and direction of the SEHB Group or to weather any unanticipated slowdown in the financial performance of the SEHB Group. The Offeror also does not have any plan or intention to liquidate companies within the SEHB Group.

(ii) Fixed Assets

The Offeror does not intend to dispose and/or redeploy the fixed assets of the SEHB Group. However, future changes in the assets of SEHB Group may result from efforts to optimise the utilisation of resources of the SEHB Group.

(iii) Employees

The Offeror does not intend to dismiss or make redundant the employees of the SEHB Group as a direct consequence of the Offer. Nevertheless, there may be continuous constructive measures to improve the efficiency of operations and optimise staff productivity of the SEHB Group.

In addition to the above, the Offeror has indicated in the event that the Offer is successful, the Offeror and/or MCC, being the then sole shareholder of SEHB, may procure SEHB to exercise the call options and/or rights available to SEHB pursuant to the Option Arrangement in relation to PT Super Labels Indonesia, S.E. Industries (Philippines) Inc., S.E. Industries (Thailand) Co. Ltd and S.E. Printing (M) Sdn Bhd.

The Offeror has in the Offer Document represented that it has not entered into any negotiations or arrangements or understanding with any third party with regard to any significant change in the businesses, assets and shareholding structure of the SEHB Group within the next twelve (12) months from the Closing Date.

Comments

We note that the Offeror intends to continue with the existing business of SEHB and from time to time, the Offeror shall review corporate structure and businesses of SEHB Group to rationalise business or address financial performance. Whilst the Offeror has no plans to dismiss or make redundant the employees of the SEHB Group, constructive measure may be undertaken.

We also note that in the event the Option Arrangement held by SEHB is exercised, PT Super Labels Indonesia, S.E. Industries (Philippines) Inc., S.E. Industries (Thailand) Co. Ltd and S.E. Printing (M) Sdn Bhd will become wholly-owned subsidiaries of SEHB.

Premised on the above, the business and management of SEHB shall remain intact and continue as a going concern.

8. RATIONALE FOR THE OFFER

We note the rationale for the Offer as set out in Section 3 of the Offer Document.

We note that MCC does not have a presence in Malaysia, Thailand, Philippines or Indonesia, in which SEHB has a presence. In the event the Offer is successful, MCC will be able to expand into these countries through SEHB Group whilst leveraging on MCC's relationships with some of its global customers who also operate in the region.

9. FURTHER INFORMATION

Holders are advised to refer to the Appendices to this IAC for further information on SEHB, the Offeror, the Ultimate Offeror and other relevant information.

10. CONCLUSION AND RECOMMENDATION

The advice of AmInvestment Bank as contained in this IAL is addressed to the Holders at large and not to any particular Holder. Accordingly, in providing this advice, we have not taken into consideration any specific investment objectives of any individual Holder or any specific group of Holders. We recommend that any individual Holder or any specific group of Holders who may require advice in the context of their objectives, financial situation and particular needs should consult their respective professional advisers immediately.

We have assessed and evaluated the terms of the Offer and have set out our evaluation in Section 5 of this IAL. In arriving at our recommendation in respect of the Offer, we have assessed the fairness and reasonableness of the Offer in accordance with Paragraphs 3.1 to 3.6 under PN 15 of the Code, where the term “fair and reasonable” should generally be analysed as two (2) distinct criteria, i.e. whether the offer is “fair” and whether the offer is “reasonable”, rather than as a composite term. In accordance with Paragraph 3.4 under PN 15 of the Code, generally, a take-over offer would be considered reasonable if it is fair.

You should consider carefully the merits and demerits of the Offer based on all relevant and pertinent factors including those set out below and other considerations as set out in this IAL and the Offer Document.

Based on our analysis as set out in Sections 5.1.1 and 5.1.2 above, we are of the opinion that the Offer Price of RM3.80 is **FAIR**, premised on the following:-

- The Offer Price is at the higher end of the range of values of RM3.12 to RM3.90 accorded to each SEHB Share based on the EV/EBITDA methodology;
- The Offer Price represents an EV/EBITDA of 6.57 times which is at the higher end of the range of trailing EV/EBITDAs (5.36 times to 6.75 times) of the Comparable Companies;
- The Offer Price represents:-
 - (a) a premium ranging from RM1.22 to RM2.13 (47.29% to 127.54%) per SEHB Share over the closing market price as at 26 March 2015, five (5)-day, one (1)-month, three (3)-month, six (6)-month and one (1)-year VWAPs up to 26 March 2015, being the last trading day prior to the date of the LOI;
 - (b) a premium ranging from RM0.60 to RM1.19 (18.75% to 45.59%) per SEHB Share over the closing market price as at 16 June 2015, five (5)-day, one (1)-month, three (3)-month, six (6)-month and one (1)-year VWAPs up to 16 June 2015, being the LTD;
 - (c) a premium ranging from RM0.15 to RM0.30 (4.11% to 8.57%) per SEHB Share over the traded SEHB Share prices subsequent to the announcement of the Notice on 17 June 2015 up to the LPD; and
 - (d) the highest price as compared to the historical share prices of the SEHB Shares traded over the past three (3) years up to the LPD.

AmInvestment Bank is of the view that the Offer is **REASONABLE** as SEHB has not received any other offer for its SEHB Shares or its business, assets and liabilities. Furthermore, as announced on 17 June 2015, the Board does not intend to seek an alternative offer for the SEHB Shares. Thus, the Offer provides an exit opportunity to the Holders to realise their investment in SEHB Shares at the Offer Price.

Premised on the above, we are of the opinion that the terms of the Offer are FAIR and REASONABLE.

Accordingly, we recommend that the Holders of the Offer Shares ACCEPT the Offer.

Yours faithfully,
For and on behalf of
AmInvestment Bank Berhad

ANUAR OMAR
Senior Vice President /Head of Corporate Finance
Corporate Finance

TAN KENG LIN
Senior Vice President
Corporate Finance

APPENDIX I – INFORMATION ON SEHB

1. HISTORY AND PRINCIPAL ACTIVITY

SEHB was incorporated in Malaysia as a public limited company under the Act on 15 May 1992. SEHB was subsequently listed on the Second Board of the Kuala Lumpur Stock Exchange (now known as Main Market of Bursa Malaysia Securities Berhad) on 7 April 1993.

SEHB is an investment holding company. Through its subsidiaries, the SEHB Group is primarily involved in the manufacturing and distribution of self-adhesive labels and stickers, and trading of labelling machines and hand labelers. The SEHB Group also manufactures name plates and light plates for display screens, printed, formed and trimmed inserts for plastic injection moulding parts and leases properties.

Details of SEHB's subsidiaries are set out in Section 5 of this Appendix.

2. SHARE CAPITAL

As at the LPD, the authorised and issued and paid-up share capital of SEHB is as follows:-

| | No. of ordinary shares | Par value RM | Total RM |
|--------------------------|---------------------------|--------------|-------------|
| Authorised | 100,000,000 | 1.00 | 100,000,000 |
| Issued and fully paid-up | ^(a) 41,811,000 | 1.00 | 41,811,000 |

Note:-

(a) Inclusive of 135,000 treasury shares

As at the LPD, SEHB does not have any convertible securities.

3. SUBSTANTIAL SHAREHOLDERS

As at the LPD, the substantial shareholders of SEHB and their respective holdings in SEHB, based on the Register of Substantial Shareholders of SEHB, are as follows:-

| Name | Direct | | Indirect | |
|---------------|--------------------|------------------|--------------------------|------------------|
| | No. of shares held | % ^(a) | No. of shares held | % ^(a) |
| Goh Juai Hian | 6,368,429 | 15.28 | 2,184,153 ^(b) | 5.24 |
| Goh Joi Sang | 5,019,424 | 12.04 | 1,918,253 ^(c) | 4.60 |
| Goh Jui Leang | 4,390,678 | 10.54 | 1,918,253 ^(c) | 4.60 |
| Ingli Sdn Bhd | 2,109,300 | 5.06 | - | - |

Notes:-

(a) Based on 41,676,000 SEHB Shares (being the total issued and paid-up capital of SEHB excluding 135,000 SEHB Shares held as treasury shares as at LPD)

(b) Deemed interested in shares held by his son Goh Yong Wee and through Layang Sempurna Sdn Bhd, a company associated with Goh Juai Hian by virtue of Section 6A(4) of the Act

(c) Deemed interested in shares held through Layang Sempurna Sdn Bhd, a company associated with the Director by virtue of Section 6A(4) of the Act

APPENDIX I – INFORMATION ON SEHB (CONT'D)

4. DIRECTORS AND THEIR SHAREHOLDINGS

As at the LPD, the details of the Directors of SEHB and their respective shareholdings in SEHB based on the Register of Directors' Shareholdings of SEHB are as follows:-

| Name | Direct | | Indirect | |
|---|---------------|------------------|--------------------------|------------------|
| | No. of shares | % ^(a) | No. of shares | % ^(a) |
| Dato' Mohd Ibrahim Bin Mohd Nor <i>(Chairman/Independent Non-Executive Director)</i> | 170,100 | 0.41 | - | - |
| Goh Jui Leang <i>(Group Managing Director/Group Chief Executive Officer)</i> | 4,390,678 | 10.54 | 1,918,253 ^(b) | 4.60 |
| Goh Joi Sang <i>(Non-Independent Executive Director)</i> | 5,019,424 | 12.04 | 1,918,253 ^(b) | 4.60 |
| Goh Jooi Chong <i>(Non-Independent Executive Director)</i> | 493,400 | 1.18 | - | - |
| Liung Cheong Poh <i>(Independent Non-Executive Director)</i> | - | - | - | - |
| Soh Chee Beng <i>(Independent Non-Executive Director)</i> | - | - | - | - |
| Datuk Haji Zubir Bin Haji Ali <i>(Independent Non-Executive Director)</i> | - | - | - | - |

Notes:-

- (a) Based on 41,676,000 SEHB Shares (being the total issued and paid-up capital of SEHB excluding 135,000 SEHB Shares held as treasury shares as at LPD)
- (b) Deemed interested in shares held through Layang Sempurna Sdn Bhd, a company associated with the Director by virtue of Section 6A(4) of the Act

APPENDIX I – INFORMATION ON SEHB (CONT'D)

5. SUBSIDIARIES AND ASSOCIATED COMPANIES

5.1 Subsidiary company

As at the LPD, the details of SEHB's subsidiaries are as follows:-

| Company | Country of incorporation | Effective equity interest % | Principal activities |
|--|---|------------------------------------|---|
| Super Enterprise Sdn. Bhd. | Malaysia | 100.0 | Manufacturing and distribution of self adhesive labels and stickers and sale of labelling machines. |
| Super Labels Industries Sdn. Bhd. ^(a) | Malaysia | 100.0 | Manufacturing and distribution of self adhesive labels and stickers and sale of labeling machines. |
| Super Enterprise (Penang) Sdn. Bhd. | Malaysia | 100.0 | Manufacturing and distribution of self adhesive labels and stickers. |
| Zenith Action Sdn. Bhd. ^(b) | Malaysia | 100.0 | Property letting. |
| Zenith Pioneer (M) Sdn. Bhd. ^(b) | Malaysia | 100.0 | Property letting. |
| Super Seals Enterprise (M) Sdn. Bhd. ^(b) | Malaysia | 100.0 | Manufacturing and distribution of self adhesive labels and stickers. |
| Super Box (Malaysia) Sdn. Bhd. | Malaysia | 100.0 | In liquidation. |
| Super Labels Sdn. Bhd. | Malaysia | 100.0 | Distribution of self adhesive labels and stickers and trading of bar code printers, hand labelers and related consumables. |
| S.E. Printing (M) Sdn. Bhd. | Malaysia | 60.0 | Manufacturing and marketing of name plates and light plates. |
| Doukoban Marketing Sdn. Bhd. ^(c) | Malaysia | 60.0 | Assembly and trading of slim advertising bright lights and other promotional items. |
| Guangzhou Super Electronics Co., Ltd. ^(c) | Serigraph The People's Republic of China | 60.0 | Produce printed, formed and trimmed insert for plastic injection moulding/assembly operations focusing on in-mould decorating/in-mould labelling. |

APPENDIX I – INFORMATION ON SEHB (CONT'D)

| Company | Country of incorporation | Effective equity interest % | Principal activities |
|--|---------------------------------|------------------------------------|--|
| S.E. Slimbright Sdn. Bhd. ^(c) | Malaysia | 60.0 | Trading and distribution of slim light panels, sign and signages. |
| S.E. Industries (Philippines) Inc. | Philippines | 99.9 | Manufacturing and distribution of self adhesive labels and stickers. |
| S.E. Industries (Thailand) Co. Ltd | Thailand | 100.0 | Manufacturing and distribution of self adhesive labels and stickers. |
| PT. Super Label Indonesia | Indonesia | 80.0 | Manufacturing and distribution of self adhesive labels and stickers. |

Notes:-

- (a) Interest held through Super Enterprise Sdn. Bhd.
- (b) Interest held through Super Enterprise (Penang) Sdn. Bhd.
- (c) Interest held through S.E. Printing (M) Sdn. Bhd.

5.2 Associate companies

As at the LPD, SEHB has no associated company.

APPENDIX I – INFORMATION ON SEHB (CONT'D)

6. PROFIT AND DIVIDEND RECORD

The financial performance of the SEHB Group based on its audited consolidated financial statements for the three (3) financial years from FYE 31 March 2012 to 2014 and the unaudited consolidated financial statements for FYE 31 March 2015 are as follows:-

| FYE 31 March | ← Audited | | → Unaudited | |
|---|-----------|---------|-------------|---------|
| | 2012 | 2013 | 2014 | 2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 103,900 | 116,406 | 123,884 | 139,987 |
| PBT | 4,375 | 14,069 | 10,445 | 14,485 |
| Taxation | (2,592) | (3,270) | (2,869) | (3,983) |
| PAT from continuing operations | 1,783 | 10,799 | 7,576 | 10,502 |
| PAT from discontinued operations | 797 | 314 | - | - |
| PAT | 2,580 | 11,113 | 7,576 | 10,502 |
| Attributable to: | | | | |
| Owners of the Company | 4,018 | 9,894 | 7,329 | 9,518 |
| Non-controlling interests | (1,438) | 1,219 | 247 | 984 |
| | 2,580 | 11,113 | 7,576 | 10,502 |
| Equity attributable to owners of the Company | 77,979 | 87,123 | 92,277 | 100,561 |
| Net cash and cash equivalent ^(a) | 4,000 | 17,072 | 14,222 | 17,343 |
| Number of ordinary shares in issue (excluding treasury shares) ('000) | 41,811 | 41,810 | 41,798 | 41,676 |
| Weighted average number of ordinary shares in issue ('000) | 41,811 | 41,811 | 41,807 | 41,731 |
| EPS ^(b) (sen) | 9.6 | 23.7 | 17.5 | 22.8 |
| Gross dividend per share (sen) | 3.0 | 5.0 | 5.0 | - |
| NA per share ^(c) (RM) | 1.87 | 2.08 | 2.21 | 2.41 |

Notes:-

- (a) Being the total cash and cash equivalent minus the total borrowings as at the end of the respective financial year.
- (b) EPS is computed based on the weighted average number of ordinary shares in issue during the financial year.
- (c) NA per share is computed based on the total number of issued and fully paid up ordinary shares in issue (excluding treasury shares) as at the end of the respective financial year.

FYE 31 March 2012

The SEHB Group recorded a marginal decrease in revenue of approximately 1% or RM0.9 million from RM104.8 million in FYE 31 March 2011 to RM103.9 million in FYE 31 March 2012. The decrease was due to the drop in revenue of the nameplates and backlights division as a result of the slowdown in the sales to customers in the E&E sector which was badly impacted by the Japanese Tsunami and the Thailand floods in 2011.

SEHB Group's PAT had decreased by approximately 71% or RM6.4 million from RM9.0 million in FYE 31 March 2011 to RM2.6 million in FYE 31 March 2012. The big drop was mainly due to a one-off impairment loss on the nameplates and backlights division's investment in its associated companies in China of approximately RM1.28 million, an increase in administrative and other expenses of approximately RM2.5 million (excluding the RM1.28 million impairment loss) and an increase in share of results in associates account of approximately RM1.3 million.

FYE 31 March 2013

The SEHB Group's revenue increased by 12% or RM12.5 million from RM103.9 million in the FYE 31 March 2012 to RM116.4 million in the FYE 31 March 2013 which was mainly attributable to the consolidation of the sales of its newly acquired China subsidiary, coupled with the growth in sales from the labels division.

The SEHB Group recorded an increase in PAT of 331% or approximately RM8.5 million from its continuing operations from RM2.6 million in FYE 31 March 2012 to RM11.1 million in FYE 31 March 2013. The surge in PAT was mainly due to the disposal of two investments in China and the absence of the non-recurring impairment loss on the nameplates and backlights division's investment in an associate company in China in the FYE 31 March 2013.

FYE 31 March 2014

The SEHB Group recorded an increase in revenue by 6% or RM7.5 million from RM116.4 million in the FYE 31 March 2013 to RM123.9 million in the FYE 31 March 2014. The increase in revenue was mainly attributable to the increase in sales from the label division and the full year consolidated sales of its China subsidiary which was acquired in August 2012.

SEHB Group's PAT from continuing operations decreased by 30% or RM3.2 million from RM10.8 million in the FYE 31 March 2013 to RM7.6 million in the FYE 31 March 2014. The drop was mainly due to the absence of the non-recurring gain of approximately RM3.2 million in the previous financial year.

FYE 31 March 2015

SEHB Group's revenue increased by 13% or RM16.1 million from RM123.9 million in the FYE 31 March 2014 to RM140 million in the FYE 31 March 2015. The increase was mainly attributable to higher sales from both label and nameplates segments.

Correspondingly, SEHB Group's PAT registered an increase of 38% or RM2.9 million from RM7.6 million to RM10.5 million in FYE 31 March 2015 which was mainly attributable to higher sales coupled with effective cost control measures throughout the year.

APPENDIX I – INFORMATION ON SEHB (CONT'D)

7. STATEMENT OF ASSETS AND LIABILITIES

The following is the statement of assets and liabilities of the SEHB Group based on its audited consolidated statements of financial position as at 31 March 2013 and 2014 and the latest unaudited statement of financial position as at 31 March 2015:-

| | 31 March 2013 Audited RM'000 | 31 March 2014 Audited RM'000 | 31 March 2015 Unaudited RM'000 |
|---|---|---|---|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 55,796 | 62,209 | 66,350 |
| Other investments | 19 | 21 | 23 |
| Goodwill | 1,209 | 1,209 | 1,209 |
| Deferred tax assets | 271 | 247 | 277 |
| Total non-current assets | 57,295 | 63,686 | 67,859 |
| Current assets | | | |
| Inventories | 13,318 | 14,166 | 17,748 |
| Trade receivables | 26,512 | 28,721 | 33,291 |
| Other receivables, deposits and prepayments | 5,878 | 5,027 | 4,613 |
| Tax recoverable | 2,993 | 920 | 515 |
| Short-term investments | 9,915 | 3,668 | 3,022 |
| Deposits with licensed banks | 8,624 | 8,911 | 8,557 |
| Cash and bank balances | 10,474 | 12,574 | 16,298 |
| Total current assets | 77,714 | 73,987 | 84,044 |
| TOTAL ASSETS | 135,009 | 137,673 | 151,903 |

APPENDIX I – INFORMATION ON SEHB (CONT'D)

| | 31 March 2013 | 31 March 2014 | 31 March 2015 |
|---|-----------------------|-----------------------|-----------------------|
| | Audited RM'000 | Audited RM'000 | Unaudited RM'000 |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to the owners of the Company | | | |
| Share capital | 41,811 | 41,811 | 41,811 |
| Treasury shares | (1) | (15) | (175) |
| Reserves | 45,313 | 50,481 | 58,925 |
| | <u>87,123</u> | <u>92,277</u> | <u>100,561</u> |
| Non-controlling interests | 9,579 | 9,594 | 10,766 |
| Total equity | <u>96,702</u> | <u>101,871</u> | <u>111,327</u> |
| Non-current liabilities | | | |
| Long-term borrowings | 7,174 | 6,055 | 4,014 |
| Deferred tax liabilities | 2,479 | 2,608 | 2,806 |
| Total non-current liabilities | <u>9,653</u> | <u>8,663</u> | <u>6,820</u> |
| Current liabilities | | | |
| Trade payables | 14,939 | 15,169 | 18,575 |
| Other payables and accruals | 6,927 | 5,073 | 5,801 |
| Short-term borrowings | 4,767 | 4,876 | 6,520 |
| Provision for taxation | 2,021 | 2,021 | 2,860 |
| Total current liabilities | <u>28,654</u> | <u>27,139</u> | <u>33,756</u> |
| Total liabilities | <u>38,307</u> | <u>35,802</u> | <u>40,576</u> |
| TOTAL EQUITY AND LIABILITIES | <u>135,009</u> | <u>137,673</u> | <u>151,903</u> |

APPENDIX II – INFORMATION ON MCC LABL2

(As extracted from Appendix IV of the Offer Document)

1. HISTORY AND PRINCIPAL ACTIVITIES

MCC LABL2 was incorporated in Amsterdam, the Netherlands on 26 August 2008 and is headquartered in Amsterdam, the Netherlands. The principal business activity of MCC LABL2 is to own and operate MCC's global label operations.

2. SHARE CAPITAL

As at 2 July 2015, the authorised and issued and paid-up share capital of MCC LABL2 are as follows:

| | <u>No. of shares</u> | <u>Par value (Euro)</u> | <u>Total (Euro)</u> |
|----------------------------------|----------------------|-------------------------|---------------------|
| Authorised share capital | 90,000 | 1.00 | 90,000 |
| Issued and paid-up share capital | 18,000 | 1.00 | 18,000 |

3. SUBSTANTIAL SHAREHOLDERS

As at 2 July 2015, the substantial shareholders of MCC LABL2 and their respective shareholdings are as follows:

| <u>Shareholders</u> | <u>Direct</u> | | <u>Indirect</u> | |
|------------------------------|----------------------|----------|----------------------|----------|
| | <u>No. of shares</u> | <u>%</u> | <u>No. of shares</u> | <u>%</u> |
| MCC Labels1 Netherlands B.V. | 18,000 | 100.00 | - | - |
| MCC | - | - | 18,000 | 100.00 |

4. DIRECTORS

As at 2 July 2015, the directors of MCC LABL2 and their respective shareholdings in MCC LABL2 are as follows:

| <u>Directors</u> | <u>Nationality/ Country of incorporation</u> | <u>Direct</u> | | <u>Indirect</u> | |
|-------------------------------|--|----------------------|----------|----------------------|----------|
| | | <u>No. of shares</u> | <u>%</u> | <u>No. of shares</u> | <u>%</u> |
| Intertrust (Netherlands) B.V. | Netherlands | - | - | - | - |
| Sharon Eileen Birkett | Australia | - | - | - | - |
| Karel Andrew Wouters | Netherlands | - | - | - | - |

APPENDIX II – INFORMATION ON MCC LABL2 (CONT'D)

(As extracted from Appendix IV of the Offer Document)

5. SUBSIDIARY AND ASSOCIATE COMPANIES**5.1 Subsidiary companies**

As at 2 July 2015, the details of the subsidiaries of MCC LABL2 are as follows:

| <u>Name of Company</u> | <u>Country of Incorporation</u> | <u>Effective Equity Interest (%)</u> | <u>Principal Activities</u> |
|----------------------------------|---------------------------------|--------------------------------------|-----------------------------|
| Barat Etiquette SAS | France | 100.00 | Manufacturing of labels |
| Centro Stampa Holding Srl | Italy | 100.00 | Holding company |
| Collotype Label Suisse Sa | Switzerland | 100.00 | Manufacturing of labels |
| Collotype Labels England Limited | United Kingdom | 100.00 | Manufacturing of labels |
| Collotype Labels Espana, S.L. | Spain | 100.00 | Manufacturing of labels |
| Collotype Labels France 2 | France | 100.00 | Manufacturing of labels |
| Collotype Labels France SaS | France | 100.00 | Manufacturing of labels |
| Collotype Labels Ireland Limited | Ireland | 100.00 | Holding company |
| Collotype Labels Italia SpA | Italy | 100.00 | Manufacturing of labels |
| Collotype Labels Limited | Scotland | 100.00 | Holding company |
| Collotype Labels UK Ltd. | Scotland | 100.00 | Manufacturing of labels |
| Financiere Barat SAS | France | 100.00 | Manufacturing of labels |
| HM Investments Limited | Ireland | 100.00 | Holding company |
| John Watson (Holdings) Ltd | Scotland | 100.00 | Holding company |
| Labelgraphics (Holdings) Ltd. | Scotland | 100.00 | Holding company |
| Labelgraphics (Scotland) Ltd. | Scotland | 100.00 | Holding company |
| Le Clos Carillon SAS | France | 100.00 | Manufacturing of labels |
| Le Clos Saint-Emilion SAS | France | 100.00 | Manufacturing of labels |
| MCC Mexico 3 Holding B.V. | Netherlands | 100.00 | Holding company |
| MCC Mexico 4 Holding B.V. | Netherlands | 100.00 | Holding company |
| MCC Polska SA | Poland | 100.00 | Manufacturing of labels |
| MCC Scotland Holdings Ltd. | Scotland | 100.00 | Holding company |
| Multi Color Italian Holding Srl | Italy | 100.00 | Holding company |

APPENDIX II – INFORMATION ON MCC LABL2 (CONT'D)

(As extracted from Appendix IV of the Offer Document)

| <u>Name of Company</u> | <u>Country of Incorporation</u> | <u>Effective Equity Interest (%)</u> | <u>Principal Activities</u> |
|---|---------------------------------|--------------------------------------|-----------------------------|
| Multi-Color Label Corp. Mexico SA Guadalajara | Mexico | 100.00 | Manufacturing of labels |
| New Era Packaging Holdings Limited | Ireland | 100.00 | Holding company |
| New Era Packaging Ireland Limited | Ireland | 100.00 | Manufacturing of labels |
| New Era Packaging Limited | Ireland | 100.00 | Manufacturing of labels |
| Presses d'Aquitaine SAS | France | 100.00 | Manufacturing of labels |
| Q Label Holding Sarl | Switzerland | 100.00 | Holding company |
| Tandheapley Holdings Limited | Ireland | 100.00 | Holding company |
| Wetterwald - Imprimeri Vinicole Societe Nouvelle SAS | France | 100.00 | Manufacturing of labels |

5.2 Associate company

As at 2 July 2015, the associate company of MCC LABL2 is as follows:

| <u>Name of Company</u> | <u>Country of Incorporation</u> | <u>Effective Equity Interest (%)</u> | <u>Principal Activities</u> |
|------------------------------|---------------------------------|--------------------------------------|-----------------------------|
| Gironde Imprimerie Publicite | France | 30.00 | Manufacturing of labels |

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APPENDIX II – INFORMATION ON MCC LABL2 (CONT'D)

(As extracted from Appendix IV of the Offer Document)

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of MCC LABL2 based on the audited financial statements of MCC LABL2 for the FPE 31 December 2009, FPE 31 March 2011, FYE 31 March 2012, FYE 31 March 2013, FYE 31 March 2014 and unaudited FYE 31 March 2015 are as follows:

| FYE / FPE | ← Audited ^(a) → | | | | | Unaudited ^(a) 31 March 2015 |
|--|------------------------------------|---------------------------------|------------------|----------------------------------|------------------|--|
| | 31 December 2009 ^(b) | 31 March 2011 ^(c) | 31 March 2012 | 31 March 2013 | 31 March 2014 | |
| | Euro | Euro | Euro | Euro | Euro | Euro |
| Revenue | - | - | 750,000 | - | 1,000,000 | 1,238,478 |
| PBT | (90) | 951,094 | 2,170,300 | 1,765,138 | 2,593,421 | 2,698,277 |
| Taxation | - | - | - | - | - | - |
| PAT | (90) | 951,094 | 2,170,300 | 1,765,138 | 2,593,421 | 2,698,277 |
| Number of MCC LABL2 shares in issue | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 |
| EPS/(LPS) (Euro) | (0.005) | 52.84 | 120.57 | 98.06 | 144.08 | 149.90 |
| Dividend per MCC LABL2 share (sen) | - | - | - | - | - | - |
| Current ratio (times) | - | 36.83 | 430.74 | Not applicable ^(d) | 52.85 | 48.82 |
| Total shareholders' equity (Euro) | 17,738 | 41,139,250 | 51,017,749 | 69,277,752 | 106,225,518 | 131,571,994 |
| NA per MCC LABL2 share (Euro) | 0.99 | 2,285.51 | 2,834.32 | 3,848.76 | 5,901.42 | 7,309.56 |

Notes:

- (a) In conformity with Article 408, Book 2 of the Dutch Civil Code of The Netherlands, MCC LABL2 does not prepare consolidated accounts. The annual accounts of the company and its subsidiaries are included in the consolidated accounts of the ultimate holding company, MCC Labels1 Netherlands B.V., which are filed with the Chamber of Commerce in Amsterdam.
- (b) The audited financial statements for FPE 31 December 2009 is for the period from the date of incorporation to 31 December 2009.
- (c) The audited financial statements for FPE 31 March 2011 is made up of fifteen (15) months financial period from 1 January 2010 to 31 March 2011 as MCC LABL2 changed its financial year end from 31 December to 31 March.
- (d) Computation shows a negative ratio due to negative current liabilities.

APPENDIX II – INFORMATION ON MCC LABL2 (CONT'D)

(As extracted from Appendix IV of the Offer Document)

7. STATEMENT OF ASSETS AND LIABILITIES

The statements of assets and liabilities of MCC LABL2 based on its audited statements of financial position as at 31 March 2013 and 31 March 2014 are as follows:

| As at 31 March | 2013 | 2014 |
|-------------------------------------|--------------------|--------------------|
| | Euro | Euro |
| ASSETS | | |
| Non-Current Assets | | |
| Interest in group entities | 22,917,846 | 63,028,389 |
| Loans to group entities | 43,154,274 | 9,624,024 |
| Total Non-Current Assets | 66,072,120 | 72,652,413 |
| Current Assets | | |
| Amount owed by group entities | 647,182 | 34,094,644 |
| Prepayments and accrued income | 6,312 | 6,312 |
| Cash and cash equivalents | 55,319 | 119,620 |
| Total Current Assets | 708,813 | 34,220,576 |
| TOTAL ASSETS | 66,780,933 | 106,872,989 |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Paid and called up share capital | 18,000 | 18,000 |
| Share premium account | 64,373,220 | 98,727,565 |
| Other reserves | 3,121,394 | 4,886,532 |
| Unappropriated results | 1,765,138 | 2,593,421 |
| TOTAL EQUITY | 69,277,752 | 106,225,518 |
| LIABILITIES | | |
| Current Liabilities | | |
| Amount due to group entities | (2,504,217) | 194,275 |
| Accruals and deferred income | 7,398 | 453,196 |
| Total Current Liabilities | (2,496,819) | 647,471 |
| TOTAL EQUITY AND LIABILITIES | 66,780,933 | 106,872,989 |

APPENDIX III – INFORMATION ON MCC

(As extracted from Appendix V of the Offer Document)

1. HISTORY AND PRINCIPAL ACTIVITIES

MCC was incorporated in the State of Ohio, the United States of America on 15 April 1985, succeeding the predecessor business. MCC's corporate offices are located at 4053 Clough Woods Drive, Batavia, Ohio 45103.

MCC's common stock has been listed on the NASDAQ Global Select Market (formerly known as NASDAQ National Market) since August 1987.

MCC provides a wide range of products for the packaging needs of its customers and is the producer of high quality pressure sensitive, in-mold and heat transfer labels, and a manufacturer of glue-applied and shrink sleeve labels. MCC also provides a full complement of print methods including flexographic, lithographic, rotogravure, letterpress and digital, plus in-house pre-press services.

2. SHARE CAPITAL

As at 2 July 2015, the authorised and outstanding share capital of MCC are as follows:

| | <u>No. of shares</u> | <u>Par value (USD)</u> | <u>Total (USD)</u> |
|-------------------------------|---------------------------|------------------------|--------------------------|
| Shares of common stock | | | |
| Authorised share capital | 25,000,000 | Not Applicable | Not Applicable |
| Outstanding share capital | 16,726,930 ^(a) | Not Applicable | 1,027,000 ^(b) |

Notes:-

- (a) *There is a reduction in the number of outstanding MCC shares from 16,906,000 as at 31 March 2015 to 16,726,930 MCC Shares as at 2 July 2015 following shares buy back by MCC resulting in an increase in the treasury shares of MCC.*
- (b) *Quantified as at 31 March 2015 for 16,906,000 MCC shares based on the audited consolidated financial statements of MCC for FYE 31 March 2015. As at 2 June 2015, the MCC shares are not quantified in value as MCC is unable to calculate the value on a daily basis. The accurate value of the MCC shares can only be calculated in connection with the audited consolidated financial statements, hence the above value is in reference to the latest audited consolidated financial statements of MCC for FYE 31 March 2015.*

APPENDIX III – INFORMATION ON MCC (CONT'D)

(As extracted from Appendix V of the Offer Document)

3. SUBSTANTIAL SHAREHOLDERS

As at 2 July 2015^(a), the substantial shareholders of MCC and their respective interests are as follows:

| Shareholders | Direct | | Indirect | |
|--------------------------------|---------------|----------------|---------------|----------------|
| | No. of shares | % [#] | No. of shares | % [#] |
| FMR LLC | 2,467,968 | 14.8 | - | - |
| T. Rowe Price Associates, Inc. | 1,465,716 | 8.8 | - | - |
| Diamond Castle Holdings, LLC | 2,505,923 | 15.0 | - | - |
| Ari J. Benacerraf | 12,000 | * | 2,505,923 | 15.0 |

Notes:

(a) Based on Form 13G or 13D filings with the United States Securities and Exchange Commission.

Based on outstanding MCC Shares as at 2 July 2015.

* Indicates less than one (1) percent

4. DIRECTORS

As at 2 July 2015, the Directors of MCC and their respective shareholdings in MCC are as follows:

| Directors | Designation | Nationality | Direct | | Indirect | |
|---------------------|---|----------------|------------------------------|----------------|------------------------------|----------------|
| | | | No. of shares ^(a) | % [#] | No. of shares ^(a) | % [#] |
| Robert R. Buck | Chairman of the Board of Directors | United States | 24,345 | * | - | - |
| Ari J. Benacerraf | Director | United States | 12,000 | * | 2,505,923 | 15.0 |
| Charles B. Connolly | Director | United States | 39,503 | * | - | - |
| Thomas M. Mohr | Director | United States | 14,165 | * | - | - |
| Simon T. Roberts | Director | United Kingdom | 2,400 | * | 3,450 | * |
| Nigel A. Vinecombe | President, Chief Executive Officer and Director | Australia | 11,511 | * | 600,000 | 3.6 |

Notes:

(a) Based on the latest filings made by the respective directors with the United States and Securities Exchange Commission

Based on outstanding MCC shares as at 2 July 2015

* Indicates less than one (1) percent

APPENDIX III – INFORMATION ON MCC (CONT'D)

(As extracted from Appendix V of the Offer Document)

5. SUBSIDIARY AND ASSOCIATE COMPANIES**5.1 Subsidiary companies**

As at 2 July 2015, the details of the subsidiaries of MCC are as follows:

| <u>Name of Company</u> | <u>Country of Incorporation</u> | <u>Effective Equity Interest (%)</u> | <u>Principal Activities</u> |
|--|---------------------------------|--------------------------------------|-----------------------------|
| Adhesion Intermediate Holdings, Inc. | USA (Delaware) | 100.00 | Holding company |
| Arcagraf Servicios Graficos Limitada | Chile | 100.00 | Manufacturing of labels |
| Asheville Acquisition Corporation LLC | USA (Delaware) | 100.00 | Manufacturing of labels |
| Barat Etiquette SAS | France | 100.00 | Manufacturing of labels |
| Cameo Sonoma Limited | USA (California) | 100.00 | Manufacturing of labels |
| Centro Stampa Holding Srl | Italy | 100.00 | Holding company |
| Chilean Label Corp Holdings, LLC | USA (Delaware) | 100.00 | Holding company |
| CM Holdings Ltd. | Cayman | 100.00 | Holding company |
| Collotype BSM Labels Pty | Australia | 100.00 | Manufacturing of labels |
| Collotype International Holdings Pty Limited | Australia | 100.00 | Holding company |
| Collotype iPack Pty Limited | Australia | 100.00 | Holding company |
| Collotype Label (Chile) S.A. | Chile | 100.00 | Manufacturing of labels |
| Collotype Label (Etiprak) S.A. | Chile | 100.00 | Manufacturing of labels |
| Collotype Label, S.A. | Chile | 100.00 | Manufacturing of labels |
| Collotype Labels Argentina SA | Argentina | 100.00 | Manufacturing of labels |
| Collotype Labels Barossa Pty Ltd. | Australia | 100.00 | Manufacturing of labels |
| Collotype Labels Chile SA | Chile | 100.00 | Manufacturing of labels |
| Collotype Labels England Limited | United Kingdom | 100.00 | Manufacturing of labels |
| Collotype Labels Espana, S.L | Spain | 100.00 | Manufacturing of labels |
| Collotype Labels France 2 | France | 100.00 | Manufacturing of labels |
| Collotype Labels France Sas | France | 100.00 | Manufacturing of labels |
| Collotype Labels Griffith Pty Ltd. | Australia | 100.00 | Manufacturing of labels |
| Collotype Labels International (RSA) Pty Ltd | South Africa | 100.00 | Manufacturing of labels |

APPENDIX III – INFORMATION ON MCC (CONT'D)*(As extracted from Appendix V of the Offer Document)*

| Name of Company | Country of Incorporation | Effective Equity Interest (%) | Principal Activities |
|--|---------------------------------|--------------------------------------|-----------------------------|
| Collotype Labels International Pty Ltd | Australia | 100.00 | Manufacturing of labels |
| Collotype Labels Ireland Limited | Ireland | 100.00 | Holding company |
| Collotype Labels Italia SpA | Italy | 100.00 | Manufacturing of labels |
| Collotype Labels Limited | Scotland | 100.00 | Holding company |
| Collotype Labels Pty Limited | Australia | 100.00 | Manufacturing of labels |
| Collotype Labels RSA Pty Ltd | South Africa | 100.00 | Manufacturing of labels |
| Collotype Label Suisse Sa | Switzerland | 100.00 | Manufacturing of labels |
| Collotype Labels UK Ltd. | Scotland | 100.00 | Manufacturing of labels |
| Collotype Labels USA Inc. | USA (California) | 100.00 | Manufacturing of labels |
| Etiprak Productora de Etiquetas Limitada | Chile | 100.00 | Manufacturing of labels |
| Financiere Barat SAS | France | 100.00 | Manufacturing of labels |
| HM Investments Limited | Ireland | 100.00 | Holding company |
| Industrial Label Corporation | USA (Delaware) | 100.00 | Manufacturing of labels |
| John Watson (Holdings) Ltd | Scotland | 100.00 | Holding company |
| LabelCorp Holdings, Inc | USA (Delaware) | 100.00 | Holding company |
| LabelCorp International LLC | USA (Delaware) | 100.00 | Manufacturing of labels |
| LabelCorp Management Inc. | USA (Delaware) | 100.00 | Manufacturing of labels |
| Labelgraphics (Holdings) Ltd. | Scotland | 100.00 | Holding company |
| Labelgraphics (Scotland) Ltd. | Scotland | 100.00 | Holding company |
| Labelmakers Wine Division Pty Limited | Australia | 100.00 | Manufacturing of labels |
| Laser Graphic Systems, Incorporated | USA (Kentucky) | 100.00 | Manufacturing of labels |
| Le Clos Carillon SAS | France | 100.00 | Manufacturing of labels |
| Le Clos Saint-Emilion SAS | France | 100.00 | Manufacturing of labels |
| LSK Label, Inc. | USA (Delaware) | 100.00 | Manufacturing of labels |
| M Acquisition LLC | USA (Delaware) | 100.00 | Holding company |
| Magnus Donners Pty Limited | Australia | 100.00 | Manufacturing of labels |
| MCC Finance 2 LLC | USA (Delaware) | 100.00 | Financing company |
| MCC Investments Chile Ltd | Chile | 100.00 | Holding company |
| MCC Labels1 Netherlands, B.V. | Netherlands | 100.00 | Holding company |

APPENDIX III – INFORMATION ON MCC (CONT'D)*(As extracted from Appendix V of the Offer Document)*

| Name of Company | Country of Incorporation | Effective Equity Interest (%) | Principal Activities |
|---|---------------------------------|--------------------------------------|-----------------------------|
| MCC LABL2 Netherlands, B.V. | Netherlands | 100.00 | Holding company |
| MCC Polska SA | Poland | 100.00 | Manufacturing of labels |
| MCC Scotland Holdings Ltd. | Scotland | 100.00 | Holding company |
| MCC-Batavia, LLC | USA (Ohio) | 100.00 | Manufacturing of labels |
| MCC-Dec Tech, LLC | USA (Ohio) | 100.00 | Manufacturing of labels |
| MCC-Finance LLC | USA (Delaware) | 100.00 | Financing company |
| MCC-Mexico Holdings 1 LLC | USA (Ohio) | 100.00 | Holding company |
| MCC-Mexico Holdings 2 LLC | USA (Ohio) | 100.00 | Holding company |
| MCC Mexico 3 Holding B.V. | Netherlands | 100.00 | Holding company |
| MCC Mexico 4 Holding B.V. | Netherlands | 100.00 | Holding company |
| MCC-Norway, LLC | USA (Michigan) | 100.00 | Manufacturing of labels |
| MCC-Norwood, LLC | USA(Ohio) | 100.00 | Manufacturing of labels |
| MCC-Troy, LLC | USA (Ohio) | 100.00 | Manufacturing of labels |
| MCC-Uniflex, LLC | USA (Ohio) | 100.00 | Manufacturing of labels |
| MCC-Wisconsin, LLC | USA (Ohio) | 100.00 | Manufacturing of labels |
| Multi Color Global Label SA de CV | Mexico | 100.00 | Manufacturing of labels |
| Multi Color Italian Holding Srl | Italy | 100.00 | Holding company |
| Multi-Color (QLD) Pty Limited | Australia | 100.00 | Manufacturing of labels |
| Multi-Color (SA) Pty Limited | Australia | 100.00 | Manufacturing of labels |
| Multi-Color Australia Acquisition Pty Limited | Australia | 100.00 | Holding company |
| Multi-Color Australia Finance Pty Limited | Australia | 100.00 | Financing company |
| Multi-Color Australia Holdings Pty Limited | Australia | 100.00 | Holding company |
| Multi-Color Australia LLC | USA (Delaware) | 100.00 | Holding company |
| Multi-Color Label Canada Corporation | Canada | 100.00 | Manufacturing of labels |
| Multi-Color Label Corp. Mexico SA Guadalajara | Mexico | 100.00 | Manufacturing of labels |
| Multi-Color Package Printing Co., Ltd. | China | 100.00 | Manufacturing of labels |
| New Era Packaging Holdings Limited | Ireland | 100.00 | Holding company |

APPENDIX III – INFORMATION ON MCC (CONT'D)

(As extracted from Appendix V of the Offer Document)

| <u>Name of Company</u> | <u>Country of Incorporation</u> | <u>Effective Equity Interest (%)</u> | <u>Principal Activities</u> |
|--|---------------------------------|--------------------------------------|-----------------------------|
| New Era Packaging Ireland Limited | Ireland | 100.00 | Manufacturing of labels |
| New Era Packaging Limited | Ireland | 100.00 | Manufacturing of labels |
| Presses d'Aquitaine SAS | France | 100.00 | Manufacturing of labels |
| PSC Acquisition Company LLC | USA (Delaware) | 100.00 | Manufacturing of labels |
| Q Label Holding Sarl | Switzerland | 100.00 | Holding company |
| Southern Atlantic Label Co., Inc. | USA (Virginia) | 100.00 | Manufacturing of labels |
| Tandheapley Holdings Limited | Ireland | 100.00 | Holding company |
| Wetterwald - Imprimeri Vinicole Societe Nouvelle SAS | France | 100.00 | Manufacturing of labels |
| York Tape & Label LLC | USA (Delaware) | 100.00 | Manufacturing of labels |

5.2 Associate company

As at 2 July 2015, the associate company of MCC is as follows:

| <u>Name of company</u> | <u>Country of Incorporation</u> | <u>Effective equity interest</u> | <u>Principal activities</u> |
|------------------------------|---------------------------------|----------------------------------|-----------------------------|
| Gironde Imprimerie Publicite | France | % 30.00 | Manufacturing of labels |

APPENDIX III – INFORMATION ON MCC (CONT'D)*(As extracted from Appendix V of the Offer Document)***6. PROFIT AND DIVIDEND RECORD**

The profit and dividend record of the MCC Group based on the audited financial statements of MCC for the FYE 31 March 2011, FYE 31 March 2012, FYE 31 March 2013, FYE 31 March 2014 and FYE 31 March 2015 are as follows:

| FYE 31 March | Audited | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2011 USD'000 | 2012 USD'000 | 2013 USD'000 | 2014 USD'000 | 2015 USD'000 |
| Revenue | 338,284 | 510,247 | 659,815 | 706,432 | 810,772 |
| PBT | 25,449 | 31,124 | 48,687 | 44,257 | 70,872 |
| Taxation | (7,038) | (11,456) | (18,387) | (16,033) | (25,156) |
| PAT | 18,411 | 19,668 | 30,300 | 28,224 | 45,716 |
| Number of MCC shares outstanding ('000) | 13,325 | 16,138 | 16,246 | 16,571 | 16,906 |
| Basic EPS ^(a) (USD) | 1.42 | 1.34 | 1.88 | 1.73 | 2.75 |
| Dividend per MCC share (USD) | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 |
| Current ratio (times) | 1.42 | 1.26 | 1.56 | 1.36 | 1.93 |
| Total shareholders' equity (USD'000) | 191,826 | 253,020 | 275,024 | 297,747 | 289,473 |
| NA per MCC share (USD) | 14.40 | 15.68 | 16.93 | 17.97 | 17.12 |

Note:-

(a) Based on weighted average number of common share.

APPENDIX III – INFORMATION ON MCC (CONT'D)

(As extracted from Appendix V of the Offer Document)

7. STATEMENT OF ASSETS AND LIABILITIES

The statements of assets and liabilities of MCC Group based on its audited consolidated financial statements as at 31 March 2014 and 31 March 2015 are as follows:

| As at 31 March | 2014 | 2015 |
|--|----------------|----------------|
| | USD'000 | USD'000 |
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | 10,020 | 18,049 |
| Accounts receivable, net | 118,906 | 111,092 |
| Other receivables | 6,737 | 5,396 |
| Inventories, net | 56,296 | 56,067 |
| Deferred income tax assets | 11,144 | 8,955 |
| Prepaid expenses and other currents assets | 10,321 | 8,413 |
| Total Current Assets | 213,424 | 207,972 |
| Non-Current Assets | | |
| Assets held for sale | 60 | 2,963 |
| Property, plant and equipment, net | 194,589 | 190,078 |
| Goodwill | 391,690 | 368,221 |
| Intangible assets, net | 155,943 | 145,023 |
| Deferred financing fees and other non-current assets | 7,619 | 12,100 |
| Deferred income tax assets | 1,141 | 1,014 |
| Total Non-Current Assets | 751,042 | 719,399 |
| TOTAL ASSETS | 964,466 | 927,371 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities | | |
| Current portion of long-term debt | 42,648 | 2,947 |
| Accounts payable | 69,405 | 62,228 |
| Accrued expense and other liabilities | 44,378 | 42,846 |
| Total Current Liabilities | 156,431 | 108,021 |
| Non-Current Liabilities | | |
| Long-term debt | 435,554 | 455,583 |
| Deferred income tax liabilities | 56,561 | 59,677 |
| Other liabilities | 18,173 | 14,617 |
| Total Non-Current Liabilities | 510,288 | 529,877 |
| Total Liabilities | 666,719 | 637,898 |

APPENDIX III – INFORMATION ON MCC (CONT'D)

(As extracted from Appendix V of the Offer Document)

| As at 31 March | 2014 | 2015 |
|---|----------------|----------------|
| | USD'000 | USD'000 |
| STOCKHOLDERS' EQUITY | | |
| Preferred stock, no par value, 1,000 shares authorised, no shares outstanding | - | - |
| Common stock, no par value, stated value of USD0.10 per share; 25,000 shares authorised, 16,906 and 16,571 shares issued at March 31, 2015 and 2014, respectively | 994 | 1,027 |
| Paid-in capital | 132,344 | 142,383 |
| Treasury stock, 267 and 161 shares at cost at March 31, 2015 and 2014, respectively | (3,760) | (8,768) |
| Restricted stock | (717) | (660) |
| Retained earnings | 172,052 | 214,463 |
| Accumulated other comprehensive loss | (3,166) | (58,972) |
| TOTAL STOCKHOLDERS' EQUITY | 297,747 | 289,473 |
| TOTAL EQUITY AND STOCKHOLDERS' EQUITY | 964,466 | 927,371 |

APPENDIX IV – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This IAC has been seen and approved by the Directors of SEHB and they collectively and individually accept full responsibility for the accuracy and completeness of the information contained herein (save for the IAL prepared by AmInvestment Bank set out in Part B of this IAC) and confirm that after making enquiries as were reasonable in the circumstances and to the best of their knowledge and belief, there are no other facts the omission of which would make any information provided herein false or misleading.

The responsibility of the Directors of SEHB in respect of the IAL from AmInvestment Bank as set out in Part B of this IAC is limited to the accuracy and completeness of the information provided by SEHB and given to AmInvestment Bank for its evaluation in respect of the Offer.

The responsibility of the Directors of SEHB in respect of the information relating to the Offeror and the Offer extracted from the Offer Document is limited to ensuring that such information is accurately reproduced in this IAC.

2. DISCLOSURE OF INTERESTS AND DEALINGS

As at the LPD, there is only one (1) class of shares in SEHB, being the ordinary shares of RM1.00 each.

There are no outstanding convertible securities issued by SEHB as at the LPD.

2.1 By SEHB**(a) Disclosure of interest in the Offeror and the Ultimate Offeror**

As at the LPD, SEHB does not have any interest, whether direct or indirect, in any voting shares or convertible securities of the Offeror and the Ultimate Offeror.

(b) Disclosure of dealings in voting shares or convertible securities of the Offeror and the Ultimate Offeror

SEHB has not dealt in any voting shares or convertible securities of the Offeror and the Ultimate Offeror during the period commencing six (6) months before 17 June 2015, being the commencement date of the Offer Period and ending on the LPD.

(c) Disclosure of dealings in SEHB Shares

Save as disclosed below, SEHB has not dealt, directly or indirectly in SEHB Shares during the period commencing six (6) months before 17 June 2015, being the commencement date of the Offer Period and ending on the LPD.

| Date | Nature of transaction | No. of SEHB Shares | Transacted price | | Total consideration (RM) |
|-----------|----------------------------|--------------------|------------------|--------------|--------------------------|
| | | | Minimum (RM) | Maximum (RM) | |
| 24/2/2015 | Acquisition of SEHB Shares | 3,300 | 1.67 | 1.67 | 5,558.66 |

APPENDIX IV – FURTHER INFORMATION (CONT'D)

2.2 By the Directors of SEHB

(a) Disclosure of interest in the Offeror and the Ultimate Offeror

As at the LPD, the Directors of SEHB do not have any interest, whether direct or indirect, in any voting shares or convertible securities of the Offeror and the Ultimate Offeror.

(b) Disclosure of dealings in voting shares or convertible securities of the Offeror and the Ultimate Offeror

The Directors of SEHB have not dealt in any voting shares or convertible securities of the Offeror and the Ultimate Offeror during the period commencing six (6) months before 17 June 2015, being the commencement date of the Offer Period and ending on the LPD.

(c) Disclosure of interest in SEHB Shares

As at the LPD, save as disclosed below, the Directors of SEHB do not have any other interests, whether direct or indirect, in any voting shares in SEHB :-

| Name | Nationality | Designation | Direct | | Indirect | |
|---------------------------------|-------------|---|--------------------|------------------|--------------------------|------------------|
| | | | No. of shares held | % ^(a) | No. of shares held | % ^(a) |
| Dato' Mohd Ibrahim Bin Mohd Nor | Malaysian | Chairman, Independent Non-Executive Director | 170,100 | 0.41 | - | - |
| Goh Jui Leang | Malaysian | Group Managing Director/Group Chief Executive Officer | 4,390,678 | 10.54 | 1,918,253 ^(b) | 4.60 |
| Goh Joi Sang | Malaysian | Non-Independent Executive Director | 5,019,424 | 12.04 | 1,918,253 ^(b) | 4.60 |
| Goh Jooi Chong | Malaysian | Non-Independent Executive Director | 493,400 | 1.18 | - | - |
| Liung Cheong Poh | Malaysian | Independent Non-Executive Director | - | - | - | - |
| Soh Chee Beng | Malaysian | Independent Non-Executive Director | - | - | - | - |
| Datuk Haji Zubir Bin Haji Ali | Malaysian | Independent Non-Executive Director | - | - | - | - |

Notes:-

- (a) Based on 41,676,000 SEHB Shares (being the issued and paid-up capital of SEHB excluding 135,000 SEHB Shares held as treasury shares as at LPD)
- (b) Deemed interested in shares held through Layang Sempurna Sdn Bhd, a company associated with the Director by virtue of Section 6A(4) of the Act

(d) Disclosure of dealings in SEHB Shares

The Directors of SEHB have not dealt in any voting shares or convertible securities of SEHB during the period commencing six (6) months before 17 June 2015, being the commencement date of the Offer Period and ending on the LPD.

2.3 By the Offeror and its Directors *(As extracted from Appendix VII of the Offer Document)***(a) Interest in SEHB Shares**

The Offeror and the Directors of the Offeror do not have any interest, direct and/or indirect, in SEHB Shares as at 2 July 2015.

(b) Dealing in SEHB Shares

The Offeror and the Directors of the Offeror have not dealt in SEHB Shares during the period commencing six (6) months prior to the beginning of the Offer Period and up to 2 July 2015.

(c) Dealing in MCC LABL2 Shares

The Offeror and the Directors of the Offeror has not dealt in any voting shares or convertible securities of MCC LABL2 during the period commencing six (6) months before 17 June 2015, being the commencement date of the Offer Period and ending on 2 July 2015.

2.4 By the Ultimate Offeror and its Director *(As extracted from Appendix VII of the Offer Document)***(a) Interest in SEHB Shares**

The Ultimate Offeror and the Directors of the Ultimate Offeror do not have any interest, direct and/or indirect, in SEHB Shares as at 2 July 2015.

(b) Dealing in SEHB Shares

The Ultimate Offeror and the Directors of the Ultimate Offeror have not dealt in SEHB Shares during the period commencing six (6) months prior to the beginning of the Offer Period and up to 2 July 2015.

(c) Dealing in MCC LABL2 Shares

The Ultimate Offeror and the Directors of the Ultimate Offeror has not dealt in any voting shares or convertible securities of MCC LABL2 during the period commencing six (6) months before 17 June 2015, being the commencement date of the Offer Period and ending on 2 July 2015.

APPENDIX IV – FURTHER INFORMATION (CONT'D)

2.5 By persons who have irrevocably committed to accept the Offer

As at 17 June 2015, the Offeror has obtained an irrevocable undertaking from each of the following Holders to accept the Offer in respect of their entire direct shareholdings in SEHB, representing 42.46% of the voting rights of SEHB as follows:

| Name | No. of SEHB Shares | %^(a) |
|--|---------------------------|------------------------|
| Goh Jui Leang (<i>Group Managing Director/Group Chief Executive Officer</i>) | 4,390,678 | 10.54 |
| Goh Juai Hian | 6,368,429 | 15.28 |
| Goh Joi Sang (<i>Non-Independent Executive Director</i>) | 5,019,424 | 12.04 |
| Layang Sempurna Sdn Bhd | 1,918,253 | 4.60 |
| Total | 17,696,784 | 42.46 |

Notes:-

(a) Based on 41,676,000 SEHB Shares (being the total issued and paid-up capital of SEHB excluding 135,000 SEHB Shares held as treasury shares as at LPD).

2.6 General Disclosure

(As extracted from Appendix VII of the Offer Document)

- (i) As at 2 July 2015, the Offeror or Ultimate Offeror have not entered into any option to acquire any additional Offer Shares.
- (ii) As at 2 July 2015, there is no ongoing negotiation between the Offeror and/or Ultimate Offeror and any person with respect to the Offeror's shares or the Offer Shares.
- (iii) As at 2 July 2015, save as disclosed in Section 1.6 of the Offer Document, there is no agreement, arrangement or understanding between the Offeror or Ultimate Offeror and any of the directors or past directors of SEHB (being such person who was, during the period commencing six (6) months prior to the beginning of the Offer Period, a director of SEHB), or any of the shareholders or past shareholders (being such person who was, during the period commencing six (6) months prior to the beginning of the Offer Period, a shareholder) of SEHB having any connection with or dependence upon the Offer.
- (iv) As at 2 July 2015, there is no agreement, arrangement or understanding entered into by the Offeror or Ultimate Offeror whereby any Offer Shares acquired pursuant to the Offer will be transferred to any other person(s) within a foreseeable period from the date of the Offer Document.
- (v) All the Offer Shares accepted under the Offer will be registered in the name of MCC LABL2 or its appointed nominee (if any).

3. MATERIAL LITIGATION

As at the LPD, neither SEHB nor its subsidiaries are engaged in any litigation, claim and/or arbitration either as plaintiff or defendant, which has a material effect on the financial position of the SEHB Group and the Board is not aware of any proceeding, pending or threatened, against the SEHB Group or of any fact likely to give rise to any proceeding which might materially and adversely affect the position or business of the SEHB Group.

4. MATERIAL CONTRACTS

Save as disclosed below, as at the LPD, neither SEHB nor any of its subsidiaries has entered into any material contract (not being contracts entered into in the ordinary course of business) during the past two (2) years immediately preceding the LPD.

The Board had on 17 June 2015 announced that SEHB had on even date entered into the following agreements:-

- (a) a call option agreement with Goh Jooi Chong, Goh Yong Wee and Yong Chen Voon (“**SEPSB Vendor(s)**”) for SEHB to acquire the remaining 680,000 ordinary shares of RM1.00 each, representing 40% of the equity interest in S.E. Printing (M) Sdn Bhd (“**SEPSB**”) for a cash consideration of RM10.00 payable to each of the SEPSB Vendor in relation to the call option;
- (b) a shareholder agreement with SEPSB Vendors and SEPSB to set out the rights and obligation as well as regulate their relationship as shareholders in SEPSB;
- (c) a call option agreement with Ong Hing Keat, Paisri Kladsumniang and Paweena Kladsumniang (“**SETC Vendor(s)**”) for SEHB to acquire all the 15,300 preference shares of 100 Baht each of S.E. Industries (Thailand) Co., Ltd for a cash consideration of 100 Baht payable to each of the SETC Vendor in relation to the call option;
- (d) a call and put option agreement with Jenny Lee (“**SLI Vendor**”) for SEHB to acquire the remaining 20,000 ordinary share of USD10 each, representing 20% equity interest in PT. Super Label Indonesia (“**SLI**”);
- (e) a shareholder agreement with SLI Vendor to set out the rights and obligation as well as regulate their relationship as shareholders in SLI;
- (f) a call option agreement with Goh Jui Leang, Goh Joi Sang, Yam Kee Neng, Criselda V.Mangahas and Kenneth C.Radaza (“**SEIP Vendor(s)**”) for SEHB to acquire the remaining five (5) ordinary shares of 100 Peso (PHP 100) each, representing approximately 0.01% in S.E. Industries (Philippines) Inc (“**SEIP**”) for a cash consideration of 50 Pesos payable to each of the SEIP Vendor in relation to the call option; and
- (g) a trust deed with SEIP Vendors in relation to the rights and ownership of the remaining five (5) ordinary shares of 100 Peso (PHP 100) each, representing approximately 0.01% in SEIP.

5. MATERIAL COMMITMENTS

As at the LPD, the Board is not aware of any material commitment incurred or known to be incurred by SEHB and/or its subsidiaries, which upon becoming enforceable, may have a material impact on the profits or net asset value of SEHB Group.

6. CONSENT

The written consent of AmInvestment Bank and MIDF Investment for the inclusion of their names in the form and context in which they appear in this IAC have been given and have not been subsequently withdrawn before the despatch of this IAC.

7. SERVICE CONTRACTS

As at the LPD, there is no service agreements entered into by the Directors of SEHB and its subsidiaries which provides for payment of compensation upon termination or expiry of agreement within twelve (12) months from the date of the Offer Document.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection at the Registered Office of SEHB at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia during normal business hours from 8.30 a.m. to 5.30 p.m. on Mondays to Fridays (excluding public holidays), from the date of this IAC up to and including the Closing Date:

- (a) Memorandum and Articles of Association of SEHB;
- (b) The Notice dated 17 June 2015;
- (c) Audited consolidated financial statements of SEHB for the past three (3) FYE 31 March 2012 to 2014 and the unaudited consolidated financial statements of SEHB for the FYE 31 March 2015;
- (d) Material contracts referred to in Section 4 above; and
- (e) Letters of consent referred to in Section 6 above.

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