

**THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**THIS NOTICE IS FOR THE INFORMATION OF THE HOLDERS OF WARRANTS 2018/2023 IN SERN KOU RESOURCES BERHAD (“SKRB”) (“WARRANT(S) 2018/2023”) ONLY. NO ACTION IS REQUIRED TO BE TAKEN BY YOU IN RESPECT OF THIS NOTICE (“NOTICE”).**

If you have sold or transferred all your Warrants 2018/2023, you should at once hand this Notice to the purchaser or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee, respectively.

Bursa Malaysia Securities Berhad has not perused the contents of this Notice prior to its issuance and takes no responsibility for the contents of this Notice, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Notice.



**SERN KOU RESOURCES BERHAD**

[Registration No. 200001016496 (519103-X)]

(Incorporated in Malaysia)

**NOTICE TO HOLDERS OF OUTSTANDING WARRANTS 2018/2023**

**IN RELATION TO THE**

**ADJUSTMENTS TO THE EXERCISE PRICE AND NUMBER OF OUTSTANDING WARRANTS 2018/2023 IN ACCORDANCE WITH THE PROVISIONS OF THE DEED POLL DATED 5 MARCH 2018 PURSUANT TO THE BONUS ISSUE OF 526,113,998 NEW ORDINARY SHARES IN SKRB (“SKRB SHARES”) (“BONUS SHARES”) ON THE BASIS OF 2 BONUS SHARES FOR EVERY 1 EXISTING SKRB SHARE HELD AT 5.00 P.M. ON 8 JUNE 2021**

*Adviser*

**TA SECURITIES**

AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD (14948-M)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

This Notice is dated 14 June 2021

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Notice:

“Act”	:	Companies Act 2016
“Additional Warrants 2018/2023”	:	Additional Warrants 2018/2023 to be issued arising from the Adjustments
“Adjustments”	:	Adjustments to the exercise price and number of outstanding Warrants 2018/2023 consequent to the Bonus Issue, in accordance with the provisions of the Deed Poll
“Board”	:	Board of Directors of SKRB
“Bonus Issue”	:	Bonus issue of new SKRB Shares on the basis of 2 Bonus Shares for every 1 existing SKRB Share held on the Entitlement Date
“Bonus Shares”	:	526,113,998 new ordinary shares in SKRB issued pursuant to the Bonus Issue
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“Deed Poll”	:	Deed poll dated 5 March 2018 constituting the Warrants 2018/2023
“Director”	:	A natural person who holds a directorship in our Company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2 of the Act and Section 2(1) of the Capital Markets and Services Act 2007
“Entitled Warrant Holder”	:	Holders of the Warrants 2018/2023 whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date
“Entitlement Date”	:	8 June 2021, being the date as at the close of business at 5.00 p.m. on which the names of shareholders must appear in the Record of Depositors in order to be entitled to the Bonus Issue and the names of the holders of Warrants 2018/2023 which appear in the Record of Depositors in order to be subjected to the Adjustments
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“Market Day”	:	A day on which Bursa Securities is open for the trading of securities
“Notice”	:	This Notice to the holders of the Warrants 2018/2023 dated 14 June 2021
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“SKRB” or “Company”	:	Sern Kou Resources Berhad
“SKRB Group” or “Group”	:	SKRB and its subsidiaries, collectively
“SKRB Shares” or “Shares”	:	Ordinary shares in SKRB
“TA Securities” or “Adviser”	:	TA Securities Holdings Berhad
“Warrants 2018/2023”	:	96,943,001 outstanding warrants in SKRB as constituted by the Deed Poll

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**DEFINITIONS (Cont'd)**

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All references to “we”, “us”, “our” and “ourselves” are to our Company. All references to “you” in this Notice are references to the Warrant Holders.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

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

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**SERN KOU RESOURCES BERHAD**

[Registration No. 200001016496 (519103-X)]  
(Incorporated in Malaysia)

**Registered Office:**

Lot PTD 6019 (Lot 8804)  
Jalan Perindustrian 1  
Kawasan Perindustrian Bukit Bakri  
Mukim Bakri, 84200 Muar  
Johor Darul Takzim

14 June 2021

**Board of Directors**

Tan Sri Abdul Rahim Bin Mohd Noor (*Chairman and Independent Non-Executive Director*)  
Low Peng Sian @ Chua Peng Sian (*Managing Director*)  
Lee Shen Wang (*Executive Director*)  
Siah Chew Peng (*Executive Director*)  
Loo Eng Hua (*Non-Independent Non-Executive Director*)  
Datuk Tay Puay Chuan (*Independent Non-Executive Director*)  
Leou Thiam Lai (*Independent Non-Executive Director*)

**To: The Warrants 2018/2023 holders of SKRB**

Dear Sir/Madam,

**ADJUSTMENTS TO THE EXERCISE PRICE AND NUMBER OF OUTSTANDING WARRANTS  
2018/2023 IN ACCORDANCE TO THE DEED POLL PURSUANT TO THE BONUS ISSUE**

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**1. INTRODUCTION**

On 12 April 2021, TA Securities had announced on behalf of the Board that the Company intends to undertake the Bonus Issue.

Bursa Securities had vide its letter dated 19 April 2021 approved the listing of and quotation for the Bonus Shares, Additional Warrants 2018/2023 and the new SKRB Shares arising from the exercise of the Additional Warrants 2018/2023 on the Main Market of Bursa Securities.

The shareholders of SKRB had approved the Bonus Issue at the Extraordinary General Meeting held on 20 May 2021.

On 21 May 2021, TA Securities announced on behalf of the Board that the Entitlement Date had been fixed at 5.00 p.m. on 8 June 2021.

On 9 June 2021, the Bonus Shares and Additional Warrants 2018/2023 were listed and quoted on the Main Market of Bursa Securities.

**THE PURPOSE OF THIS NOTICE IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE ADJUSTMENTS. THIS NOTICE ALSO SETS OUT BRIEF PARTICULARS OF THE EVENTS GIVING RISE TO THE ADJUSTMENTS TOGETHER WITH THE COMPUTATION OF THE ADJUSTMENTS. NO ACTION IS REQUIRED TO BE TAKEN BY YOU IN RESPECT OF THIS NOTICE.**

## 2. DETAILS OF THE ADJUSTMENTS

As at the Entitlement Date, the Company has 96,943,001 outstanding Warrants 2018/2023, which are exercisable into 96,943,001 new SKRB Shares at an exercise price of RM0.40 each.

Based on the Deed Poll, the exercise price and the existing number of outstanding Warrants 2018/2023 shall from time to time be adjusted, calculated or determined by the Directors in consultation with the adviser and certified by the auditors in accordance with the relevant provisions as set out in the Deed Poll.

### 2.1 Adjustments

#### (i) Adjustment to the exercise price of the outstanding Warrants 2018/2023

In accordance with Condition 1.1 of Schedule 6 of the Deed Poll, the adjustment to the exercise price of the outstanding Warrants 2018/2023 shall be made in the following manner:

$$\text{New exercise price of Warrants 2018/2023} = \frac{A}{B} \times X$$

where:

A = 263,056,999, being the aggregate number of issued SKRB Shares immediately before the Bonus Issue;

B = 789,170,997, being the aggregate number of issued SKRB Shares immediately after the Bonus Issue; and

X = RM0.40, being the existing exercise price of the outstanding Warrants 2018/2023.

Based on the above, the adjustment is set out below:

$$\begin{aligned} \text{New exercise price of Warrants 2018/2023} &= \frac{263,056,999}{789,170,997} \times \text{RM0.40} \\ &= \text{RM0.13} \end{aligned}$$

#### (ii) Adjustment to the number of outstanding Warrants 2018/2023

In accordance with Condition 1.1 of Schedule 6 of the Deed Poll, the adjustment to the number of outstanding Warrants 2018/2023 shall be made in the following manner:

$$\text{Adjusted number of outstanding Warrants 2018/2023} = \frac{B}{A} \times W$$

where:

A = 263,056,999, being the aggregate number of issued SKRB immediately before the Bonus Issue;

B = 789,170,997, being the aggregate number of issued SKRB Shares immediately after the Bonus Issue; and

W = 96,943,001, being the number of outstanding Warrants 2018/2023.

Based on the above, the adjustment is set out below:

$$\begin{aligned} \text{Adjusted number of} \\ \text{outstanding Warrants} \\ \text{2018/2023} &= \frac{789,170,997}{263,056,999} \times 96,943,001 \\ &= 290,829,003 \end{aligned}$$

Hence, the additional number of Warrants 2018/2023 issued to the Entitled Warrant Holders arising from the Adjustments are as follow:

$$\begin{aligned} \text{Number of Additional} \\ \text{Warrants 2018/2023 arising} \\ \text{from the Adjustments} &= 290,829,003 - 96,943,001 \\ &= 193,886,002 \end{aligned}$$

Based on the above computation, the number of Additional Warrants 2018/2023 to be issued arising from the Adjustments is 193,886,002. The number of Additional Warrants 2018/2023 issued to each Entitled Warrant Holder will be stated in the respective notice of allotment of Additional Warrants 2018/2023 to the Entitled Warrant Holders.

Save for the abovementioned Adjustments, the rights and obligations of Entitled Warrant Holders will remain unchanged.

## 2.2 Summary of the Adjustments

In summary, the Adjustments are set out below:

	Prior to the Adjustments	After the Adjustments
Exercise price	RM0.40	RM0.13
Number of outstanding Warrants 2018/2023	96,943,001	290,829,003

The Adjustments were determined and approved by the Board in consultation with TA Securities and certified by the auditors of the Company, BDO PLT, vide its certificate dated 11 June 2021, in accordance with the provisions of the Deed Poll.

## 2.3 Ranking of Additional Warrants 2018/2023 and new SKRB Shares arising from the exercise of the Additional Warrants 2018/2023

The Additional Warrants 2018/2023 shall form part of the series of the existing Warrants 2018/2023 and shall be constituted by the Deed Poll. As the Warrants 2018/2023 are prescribed securities, the Additional Warrants 2018/2023 will be credited directly into the respective Central Depository System accounts of the Entitled Warrant Holders and no physical Warrants 2018/2023 certificate will be issued.

The Additional Warrants 2018/2023 shall, upon allotment and issuance, rank equally in all respects with the then existing Warrants 2018/2023.

The new SKRB Shares to be issued arising from the exercise of the Additional Warrants 2018/2023 shall, upon allotment and issuance, rank equally in all respects with the then existing SKRB Shares, save and except that the new SKRB Shares arising from the exercise of the Additional Warrants 2018/2023 shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the dates of allotment of the new SKRB Shares to be issued arising from the exercise of the Additional Warrants 2018/2023.

### **3. RATIONALE FOR THE ADJUSTMENTS**

The Adjustments have been made in accordance with the provisions of the Deed Poll in order to ensure that the status of the holders of the Warrants 2018/2023 would not be prejudiced after the implementation of the Bonus Issue.

### **4. EFFECTIVE DATE OF THE ADJUSTMENTS**

The Adjustments took effect on 9 June 2021, being the next Market Day following the Entitlement Date in accordance with Condition 1.1 of Schedule 6 of the Deed Poll.

### **5. CONSENTS**

TA Securities, being the Adviser for the Bonus Issue, has given and has not subsequently withdrawn its written consent to the inclusion in this Notice of its name and all references thereto in the form and context in which they appear in this Notice.

BDO PLT, being the auditors of our Company, has given and has not subsequently withdrawn its written consent to the inclusion in this Notice of its name, its certificate dated 11 June 2021 certifying the Adjustments and all references thereto in the form and context in which they appear in this Notice.

### **6. DIRECTORS' RESPONSIBILITY STATEMENT**

This Notice has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts or misleading statements or information contained in this Notice, or other facts and information, the omission of which would make any statement in this Notice false or misleading.

### **7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at Lot PTD 6019 (Lot 8804), Jalan Perindustrian 1, Kawasan Perindustrian Bukit Bakri, Mukim Bakri, 84200 Muar, Johor Darul Takzim during normal business hours from 8.30 a.m. to 5.30 p.m. from Mondays to Fridays (excluding public holidays) for as long as any of the Warrants 2018/2023 remain outstanding and exercisable into new SKRB Shares:

- (i) the Deed Poll;
- (ii) the certificate from the Board dated 11 June 2021 setting out, amongst others, brief particulars of the event giving rise to the Adjustments, the exercise price and number of the outstanding Warrants 2018/2023 in effect prior to the Adjustments and after Adjustments, as well as the effective date of the Adjustments;
- (iii) the certificate from Messrs BDO PLT dated 11 June 2021 certifying the Adjustments; and
- (iv) the letters of consent as referred to in Section 5 above.

Yours faithfully,  
For and on behalf of our Board  
**SERN KOU RESOURCES BERHAD**

**LOW PENG SIAN @ CHUA PENG SIAN**  
Managing Director