

**NOTICE OF PROVISIONAL ALLOTMENT OF RIGHTS SHARES**

Terms defined in the Abridged Prospectus dated 8 August 2017 ("AP") issued by ELK-Desa Resources Berhad ("ELK-Desa" or the "Company") shall have the same meaning when used in this Notice of Provisional Allotment ("NPA"). The provisional allotment of Rights Shares (as defined herein) are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 as amended from time to time ("SICDA") and therefore, the SICDA and the Rules of Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") ("Rules of Bursa Depository") shall apply in respect of dealings in the provisional allotments of Rights Shares.

# ELK-DESA®

**ELK-DESA RESOURCES BERHAD**

(Company No. 180164-X)

(Incorporated in Malaysia under the Companies Act, 1965)

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 51,589,369 NEW ORDINARY SHARES IN ELK-DESA ("ELK-DESA SHARE(S)" OR "SHARE(S)") ("RIGHTS SHARE(S)") AT AN ISSUE PRICE OF RM1.16 PER RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FIVE (5) EXISTING ELK-DESA SHARES HELD AS AT 5.00 P.M. ON 8 AUGUST 2017 ("RIGHTS ISSUE")**

*Principal Adviser*



**Mercury Securities Sdn Bhd (113193-W)**

(A Participating Organisation of Bursa Malaysia Securities Berhad)

**To: Our Entitled Shareholders**

Dear Sir / Madam,

Our Board of Directors ("**Board**") has provisionally allotted to you the number of Rights Shares as indicated below, in accordance with the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") via its letter dated 17 January 2017, and the resolutions passed at the Extraordinary General Meeting of our Company convened on 22 June 2017.

We wish to advise you that the following Rights Shares provisionally allotted to you has been confirmed by Bursa Depository and upon acceptance, the Rights Shares will be credited into your Central Depository System ("**CDS**") account(s), subject to the terms and conditions stated in the AP and Rights Subscription Form ("**RSF**") issued by our Company.

Bursa Securities has already prescribed our securities listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares provisionally allotted to you are prescribed securities and as such, all dealings in the Rights Shares provisionally allotted to you will be by book entries through CDS Account(s) and will be governed by the SICDA and the Rules of Bursa Depository.

**ALL RIGHTS SHARES TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SHARES INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE). NO PHYSICAL SHARE CERTIFICATES WILL BE ISSUED.**

It is the intention of our Board to allot the Excess Rights Shares, if any, on a fair and equitable basis and in the following priority:-

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to our Entitled Shareholders (other than the Undertaking Shareholders) who have applied for Excess Rights Shares, on a pro-rata basis and in board lots, calculated based on their respective shareholdings in our Company as at the Entitlement Date;
- (iii) thirdly, for allocation to our Entitled Shareholders (other than the Undertaking Shareholders) who have applied for Excess Rights Shares on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess application; and
- (iv) fourthly, for allocation to renounee(s)/transferee(s) (other than the Undertaking Shareholders) who have applied for Excess Rights Shares on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess application.

In the event of any balance of Excess Rights Shares after the above sequence of allocation, the balance will be allocated through the same sequence of processes (ii) to (iv) until all the Excess Rights Shares applied for are allocated.

In the event that there are still undersubscribed Rights Shares after allocating all the Excess Rights Shares applied for, the remaining Rights Shares will be subscribed by the Undertaking Shareholders.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares applied for under Part I(B) of the RSF in such manner as our Board deems fit and expedient in the best interests of the Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in the item (i) to item (iv) above is achieved. Our Board also reserves the right to accept any Excess Rights Shares Application, in full or in part, without assigning any reason in respect thereof.

NAME, ADDRESS AND CDS ACCOUNT NUMBER OF ENTITLED SHAREHOLDER		

NUMBER OF ELK-DESA SHARES HELD AT 5.00 P.M. ON 8 AUGUST 2017	NUMBER OF RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM1.16 PER RIGHTS SHARE (RM)

IMPORTANT RELEVANT DATES AND TIMES	
Entitlement date .....	: Tuesday, 8 August 2017 at 5.00 p.m.
<b>Last date and time for:</b>	
Sale of provisional allotments of rights .....	: Tuesday, 15 August 2017 at 5.00 p.m.
Transfer of provisional allotments of rights .....	: Friday, 18 August 2017 at 4.00 p.m.
Acceptance and payment .....	: Wednesday, 23 August 2017 at 5.00 p.m.
Excess Rights Shares application and payment .....	: Wednesday, 23 August 2017 at 5.00 p.m.

By order of the Board  
**Loke Weng Fook (MIA 6573)**  
 Company Secretary

Share Registrar  
**Tricor Investor & Issuing House Services Sdn Bhd (11324-H)**  
 Unit 32-01, Level 32  
 Tower A, Vertical Business Suite  
 Avenue 3, Bangsar South  
 No. 8, Jalan Kerinchi  
 59200 Kuala Lumpur  
 Tel: 603 - 2783 9299  
 Fax: 603 - 2783 9222

**THIS NPA IS DATED 8 AUGUST 2017**



## NOTES AND INSTRUCTIONS FOR COMPLETION OF THIS RSF

### THIS RSF IS NOT A TRANSFERABLE OR NEGOTIABLE INSTRUMENT.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately. All enquiries concerning the Rights Issue should be addressed to our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively at the Share Registrar's Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. **YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE ABRIDGED PROSPECTUS TO WHICH THIS RSF RELATES BEFORE COMPLETING THIS RSF. IN ACCORDANCE WITH THE CAPITAL MARKETS AND SERVICES ACT, 2007, THIS RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE AP.**

The AP, together with the NPA and RSF (collectively, the "Documents"), are only despatched to our Entitled Shareholders whose names appear on our Record of Depositors as at 5.00 p.m. on Tuesday, 8 August 2017 at their registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia no later than 5.00 p.m. on the Entitlement Date. The Documents are not intended to be and will not be issued, circulated or distributed, and the Rights Issue will not be made or offered or deemed to be made or offered for purchase or subscription, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. No action has been or will be taken to ensure that the Rights Issue and the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. The Rights Issue to which the AP relates is only available to persons receiving the Documents electronically or otherwise within Malaysia. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Issue in any jurisdiction other than Malaysia or to any person to whom it may be unlawful to make such an offer, solicitation or invitation. It will be the sole responsibility of the Entitled Shareholders and/or their renouneece(s)/transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia to consult their legal and/or other professional adviser as to whether their acceptance or renunciation (as the case may be) of their entitlement to the Rights Issue would result in the contravention of any laws of such countries or jurisdictions. Such shareholders should note the additional terms and restrictions as set out in Section 10.7 of the AP. Neither the Company, Mercury Securities nor any other advisers to the Rights Issue shall accept any responsibility or liability in the event that any acceptance or sale/renunciation (as the case may be) of the provisional allotment of the Rights Shares made by our Entitled Shareholders and/or their renouneece(s)/transferee(s) is or will become illegal, unenforceable, voidable or void in any country or jurisdiction in which our Entitled Shareholders and/or their renouneece(s)/transferee(s) (if applicable) is a resident.

A copy of the AP has been registered with the Securities Commission Malaysia ("SC"). The registration of the AP should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in the AP. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy each of the Documents has also been lodged with the Companies Commission of Malaysia who takes no responsibility for the contents of the Documents.

Approval for the Rights Issue has been obtained from our shareholders at the extraordinary general meeting held on 22 June 2017. Approval has been obtained from Bursa Malaysia Securities Berhad ("Bursa Securities") via its letter dated 17 January 2017 for the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue. The listing of and quotation for the Rights Shares on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue. The listing of and quotation for the Rights Share on the Main Market of Bursa Securities will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Account(s) of the successful Entitled Shareholders and/or their renouneece(s)/transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Our Board has seen and approved all the documentation relating to the Rights Issue. 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 false or misleading statements or other facts which, if omitted, would make any statement in the Documents false or misleading.

Unless otherwise stated, the unit of currency used in this RSF is Ringgit Malaysia ("RM") and sen.

### INSTRUCTIONS:

#### (i) LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT

This RSF is valid for acceptance until **5.00 p.m. on Wednesday, 23 August 2017**.

#### (ii) FULL OR PART ACCEPTANCE OF THE RIGHTS SHARES

The Rights Issue is renounceable in full or in part. If you wish to accept the Rights Shares provisionally allotted to you either in full or in part, please complete Parts I(A) and II of this RSF in accordance with the notes and instructions contained in this RSF. Each completed and signed RSF together with the relevant payment must be sent to our Share Registrar in the envelope provided (at your own risk) by **ORDINARY POST** or **DELIVERED BY HAND** or **BY COURIER** to the following address:

**Tricor Investor & Issuing House Services Sdn Bhd (11324-H)**  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

or alternatively at

**Tricor Customer Service Centre**  
Unit G-3, Ground Floor, Vertical Podium  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

so as to arrive no later than **5.00 p.m. on Wednesday, 23 August 2017**, being the last time and date for acceptance of and payment.

If the acceptance of and payment for the Rights Shares provisionally allotted to you is not received by our Share Registrar by **5.00 p.m. on Wednesday, 23 August 2017**, such provisional entitlement to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled.

Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the Rights Shares accepted in the form of Banker's Draft(s) or Cashier's Order(s) or Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and made payable to "ELK-DESA RIGHTS SHARES ACCOUNT", crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side with your name, contact number, address and your CDS Account number in block letters. Applications accompanied by payments other than in the manner stated above or with excess or insufficient remittances may or may not be accepted at the absolute discretion of our Board. Details of the remittances must be filled in the appropriate boxes provided in this RSF.

In respect of unsuccessful or partially accepted applications, the full amount or the surplus application monies, as the case may be, will be refunded without interest and will be despatched to you by ordinary post to the address as shown in our record of depositors at your own risk within fifteen (15) market days from the last day for acceptance of and payment for the Rights Shares.

#### (iii) EXCESS RIGHTS SHARES APPLICATION

If you wish to apply for additional Rights Shares in excess of your entitlement, you may do so by completing Part I(B) of this RSF (in addition to Parts I(A) and II) and forwarding it with a separate remittance made in RM for the full amount payable in respect of the Excess Rights Shares applied for in the form of Banker's Draft(s) or Cashier's Order(s) or Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia must be made payable to "ELK-DESA EXCESS RIGHTS SHARES ACCOUNT", crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side with your name in block letters and your CDS account number, to our Share Registrar no later than **5.00 p.m. on Wednesday, 23 August 2017**, being the last time and date for acceptance and payment.

The payment must be made in the exact amount payable for the Excess Rights Shares applied for. Any application accompanied by excess or insufficient payment may be rejected at the absolute discretion of our Board. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

No acknowledgment for the receipt of this RSF or application monies in respect of the Excess Rights Shares application will be issued by our Company or our Share Registrar. However, if your application is successful, the rights shares will be allotted and a notice of allotment will be despatched to you by ordinary post to the address as shown in our record of depositors at your own risk within eight (8) market days from the last date for acceptance of and payment for the Excess Rights Shares or such other period as may be prescribed by Bursa Securities.

In respect of unsuccessful or partially successful Excess Rights Shares applications, the full amount or the surplus application monies, as the case may be, will be refunded without interest and will be despatched to you by ordinary post to the address as shown in our record of depositors at your own risk within fifteen (15) market days from the last date of application and payment for the Excess Rights Shares.

It is the intention of our Board to allot the Excess Rights Shares, if any, on a fair and equitable basis and in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to our Entitled Shareholders (other than the Undertaking Shareholders) who have applied for Excess Rights Shares, on a pro-rata basis and in board lots, calculated based on their respective shareholdings in our Company as at the Entitlement Date;
- (iii) thirdly, for allocation to our Entitled Shareholders (other than the Undertaking Shareholders) who have applied for Excess Rights Shares on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess application; and
- (iv) fourthly, for allocation to renouneece(s)/transferee(s) (other than the Undertaking Shareholders) who have applied for Excess Rights Shares on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess application.

In the event of any balance of Excess Rights Shares after the above sequence of allocation, the balance will be allocated through the same sequence of processes (ii) to (iv) until all the Excess Rights Shares applied for are allocated.

In the event that there are still undersubscribed Rights Shares after allocating all the Excess Rights Shares applied for, the remaining Rights Shares will be subscribed by the Undertaking Shareholders. Nevertheless, our Board reserves the right to allot any Excess Rights Shares applied for under Part I(B) of the RSF in such manner as our Board deems fit and expedient in the best interests of the Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in the Item (i) to item (iv) above is achieved. Our Board also reserves the right to accept any Excess Rights Shares Application, in full or in part, without assigning any reason in respect thereof.

#### (iv) SALE OR TRANSFER OF PROVISIONAL ALLOTMENTS

The provisional allotment of Rights Shares is renounceable. If you wish to sell or transfer all or part of your entitlement of the provisional allotment of Rights Shares to one or more persons, you may do so through your stockbroker without first having to request for a split of the provisionally allotted Rights Shares standing to the credit of your CDS Account(s). To sell or transfer all or part of your provisionally allotted Rights Shares, you may sell such entitlements in the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository for the period up to the last date and time for the sale/transfer of the provisionally allotted Rights Shares.

In selling or transferring all or part of your provisionally allotted Rights Shares, you need not deliver this RSF or any document to your stockbroker. **You are however advised to ensure that there is sufficient provisionally allotted Rights Shares standing to the credit of your CDS Account(s) before selling or transferring.**

Renouneece(s)/transferee(s) who wish to accept the provisionally allotted Rights Shares may obtain a copy of the AP and this RSF from their stockbrokers, our Share Registrar or our Registered Office or the website of Bursa Securities (<http://www.bursamalaysia.com>).

If you and/or your renouneece(s)/transferee(s) (if applicable) have sold or transferred only part of your provisionally allotted Rights Shares, you may still accept the balance of the entitlements of the Rights Shares by completing Parts I(a) and II of this RSF.

If you sell or transfer all or part of your entitlement to the provisionally allotted Rights Shares, you will automatically be selling or transferring your entitlement to all or part of your Rights Shares.

#### (v) GENERAL INSTRUCTIONS

- (a) All applicants must sign on the front page of this RSF. All corporate bodies must affix their Common Seals.
- (b) A Malaysian Revenue Stamp (NOT POSTAGE STAMP) of RM10.00 must be affixed on this RSF.
- (c) The Rights Shares subscribed by the Entitled Shareholders and/or their renouneece(s)/transferee(s) (if applicable) will be credited into their respective CDS accounts as stated in this RSF or the exact account(s) appearing on Bursa Depository's record of depositors.
- (d) Any interest or other benefit accruing on or arising from or in connection with any application monies shall be for the benefit of the Company and the Company shall not be under any obligation to account for such interest or other benefit to you.
- (e) The contract arising from the acceptance of the provisional allotment of Rights Shares by you shall be governed by and construed in accordance with the laws of Malaysia, and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the courts of Malaysia in respect of any matter in connection with this RSF and the contract arising therefrom.
- (f) The Company reserves the right to accept or reject any acceptance and/or application if the instructions above are not strictly adhered to or which are illegal.