

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

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

Bursa Malaysia Securities Berhad (“Bursa Securities”) has conducted a limited review on the Proposed New Shareholders’ Mandate of this Circular and has not peruse the Proposed Renewal of Share Buy-Back and Proposed Renewal of Existing Shareholders’ Mandate of this Circular as it is prescribed as an exempt document.

Bursa Securities takes no responsibility for the contents of this Circular, 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 Circular.



**MIECO CHIPBOARD BERHAD**

[Registration No. 197201001235(12849-K)]  
(Incorporated in Malaysia)

- (I) **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE AND PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS’ MANDATE”); AND**
- (II) **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES (“PROPOSED RENEWAL OF SHARE BUY-BACK”)**

**(COLLECTIVELY KNOWN AS THE “PROPOSALS”)**

The above proposals will be tabled as Special Business at the Forty-Eighth Annual General Meeting (“48<sup>th</sup> AGM”) of Mieco Chipboard Berhad (“MIECO” or “the Company”) to be conducted on a virtual basis entirely through live streaming from the broadcast venue at Board Room, No. 1, Block C, Jalan Indah 2/6, Taman Indah, Batu 11, 43200 Cheras, Selangor on Thursday, 27 May 2021 at 9.30 a.m. or any adjournment thereof.

The Notice of the 48<sup>th</sup> AGM and the Form of Proxy are set out in the Annual Report of MIECO for the financial year ended 31 December 2020.

The Form of Proxy should be completed and returned in accordance with the instructions therein as soon as possible and should be deposited at the office of the Company’s Share Registrar, Metra Management Sdn. Bhd. at 35<sup>th</sup> Floor, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, at least forty-eight (48) hours before the time appointed for the AGM or any adjournment thereof. The completion and return of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy : Tuesday, 25 May 2021 at 9.30 a.m.

Date and time of 48<sup>th</sup> AGM : Thursday, 27 May 2021 at 9.30 a.m.

*This Circular is dated 28 April 2021*

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## DEFINITIONS

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For the purposes of this Circular, except where the context otherwise requires, the following definitions shall apply:

- “Act” : The Companies Act, 2016 as amended from time to time, and includes every statutory modification or any re-enactment thereof for the time being in force
- “AGM” : Annual General Meeting
- “Audit Committee” : The Audit Committee of MIECO
- “Board” : The Board of Directors of MIECO
- “Bursa Securities” : Bursa Malaysia Securities Berhad [Registration No. 200301033577(635998-W)]
- “Code” : Malaysian Code on Take-Overs and Mergers, 2010 as amended from time to time
- “Director” : Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of MIECO or any other company which is a subsidiary of MIECO or a holding Company of MIECO
- “EPS” : Earnings per Share
- “FYE” : Financial year ended
- “Great Platform” : Great Platform Sdn. Bhd. [Registration No. 201101044039(972159-A)]
- “Kiara Susila” : Kiara Susila Sdn. Bhd. [Registration No. 200701038635(796665-A)]
- “Listing Requirements” : Main Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time
- “LPD” : 16 April 2021 being the latest practicable date prior to the printing of this Circular and the cut-off date for the information disclosed in this Circular unless otherwise indicated
- “Major Shareholder(s)” : Means a person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is:
- (a) 10% or more of the total number of voting shares in the corporation; or
  - (b) 5% or more of the total number of voting shares in the Corporation where such person is the largest shareholder of the Corporation

For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act

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**DEFINITIONS (CONT'D)**

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“MIECO” or “Company”	: Mieco Chipboard Berhad [Registration No. 197201001235(12849-K)]
“MIECO Group” or “Group”	: MIECO and its subsidiaries
“MIECO Manufacturing”	: Mieco Manufacturing Sdn. Bhd. [Registration No. 200301018270(620690-T)]
“MIECO Share(s)” or “Share(s)”	: Ordinary Shares in MIECO
“NA”	: Net assets attributable to ordinary equity holders of MIECO
“Person Connected”	: Shall have the same meaning given in Paragraph 1.01 of the Listing Requirements
“Proposals”	The Proposed Shareholders’ Mandate and Proposed Renewal of Share Buy-Back, collectively
“Proposed New Shareholders’ Mandate”	Proposed new shareholders’ mandate for MIECO Group to enter into recurrent related party transactions of a revenue or trading nature
“Proposed Renewal of Existing Shareholders’ Mandate”	Proposed renewal of existing shareholders’ mandate for MIECO Group to enter into recurrent related party transactions of a revenue or trading nature
“Proposed Renewal of Share Buy-Back”	: Proposed renewal of authority for the Company to purchase its own shares
“Proposed Shareholders’ Mandate”	: Proposed Renewal of Existing Shareholders’ Mandate and Proposed New Shareholders’ Mandate
“Recurrent Related Party Transactions” or “RRPT(s)”	: A transaction entered into by the Company or its subsidiaries which involves the interest, direct or indirect, of a Related Party, which is recurrent, of a revenue or trading nature and which is necessary for day to day operations of the Company or its subsidiaries
“Related Party(ies)”	: A Director, Major Shareholder or Persons Connected with such Director or Major Shareholder. For the purpose of this definition, “Director” and “Major Shareholder” shall have the meaning given in paragraph 10.02 of the Listing Requirements
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“Seng Yip Furniture”	: Seng Yip Furniture Sdn. Bhd. [Registration No. 199301004255(258992-X)]
“Shareholders”	: Shareholders of MIECO
“SC”	: Securities Commission
“Substantial Shareholder(s)”	: Has the meaning given in Section 136 of the Act
“SYF”	: SYF Resources Berhad [Registration No. 199501035170(364372-H)]

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**DEFINITIONS (CONT'D)**

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“SYF Group” : SYF and its subsidiaries

“Treasury Shares” : Has the meaning given in section 127(4)(b) of the Act

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

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# MIECO CHIPBOARD BERHAD

Registration No. 197201001235(12849-K)  
(Incorporated in Malaysia)

**Registered Office:**

No. 1, Block C,  
Jalan Indah 2/6, Taman Indah,  
Batu 11, 43200 Cheras,  
Selangor Darul Ehsan.

28 April 2021

**Board of Directors:**

Datuk Dr. Roslan Bin A. Ghaffar (*Independent Non-Executive Chairman*)  
Dato' Sri Ng Ah Chai (*Group Managing Director*)  
Mr. Ng Wei Ping (*Executive Director*)  
Mr. Cheam Tow Yong (*Independent Non-Executive Director*)  
Dato' Abdul Rashid Bin Mat Amin (*Independent Non-Executive Director*)  
Mr. Kajendra A/L Pathmanathan (*Independent Non-Executive Director*)

**To : The Shareholders of Mico Chipboard Berhad**

**Dear Sir/Madam,**

- **PROPOSED SHAREHOLDERS' MANDATE; AND**
- **PROPOSED RENEWAL OF SHARE BUY-BACK**

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## 1. INTRODUCTION

At the 47<sup>th</sup> AGM of the Company held on 23 July 2020, the Company had obtained the general mandate from its shareholders:-

- (a) to enter into RRPTs with Related Parties which are necessary for its day to day operations and are in the ordinary course of business based on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not to the detriment of minority shareholders ("Existing Mandate"); and
- (b) for the authority for the Company to purchase its own shares of up to 10% of its total issued shares ("Share Buy-Back Authority").

In accordance with the Listing Requirements, the Existing Mandate and the Share Buy-Back Authority shall lapse at the conclusion of the forthcoming AGM of the Company unless authority for its renewal is obtained from the shareholders of the Company at the AGM.

The Company had on 29 March 2021 announced to Bursa Securities of the Company's intention to seek shareholders' approval for the Proposals at the forthcoming AGM to be convened on Thursday, 27 May 2021.

Further details on the Proposals are set out in the ensuing sections.

The purpose of this Circular is to provide you with the relevant information of the Proposals as well as to seek your approval for the resolutions pertaining to the Proposals to be tabled at the forthcoming 48<sup>th</sup> AGM, which will be conducted on a virtual basis entirely through live streaming from the broadcast venue at Board Room, No. 1, Block C, Jalan Indah 2/6, Taman Indah, Batu 11, 43200 Cheras, Selangor on Thursday, 27 May 2021 at 9.30 a.m. The notice of the 48<sup>th</sup> AGM together with the Form of Proxy is enclosed in the Annual Report 2020 of the Company for the financial year ended 31 December 2020.

**SHAREHOLDERS OF MIECO ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS AT THE FORTHCOMING 48<sup>th</sup> AGM.**

## **2. DETAILS OF THE PROPOSALS**

### **2.1 PROPOSED SHAREHOLDERS' MANDATE**

The Board proposes to seek shareholders' mandate for the Group to enter into RRPT(s) of a revenue or trading nature in the ordinary course of business which are not more favourable to the Related Parties. Pursuant to Paragraph 10.09(2) and Practice Note 12 of the Listing Requirements, a listed issuer may seek a mandate from its shareholders in respect of RRPT(s) subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party(ies) than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of the transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold below in relation to a listed issuer with an issued and paid-up capital of RM60.0 million and above:
  - (i) the consideration, value of the assets, capital outlay or costs of the RRPT(s) is RM1.0 million or more; or
  - (ii) the percentage ratio of such RRPT(s) is 1% or more,whichever is the higher.
- (c) the listed issuer's circular to shareholders for the shareholder mandate includes the information as may be prescribed by Bursa Securities;
- (d) in a meeting to obtain shareholders' mandate, the interested directors, interested major shareholders or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such directors or major shareholder, must not vote on the resolution to approve the RRPT(s). An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the RRPT(s); and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT(s) entered into by the listed issuer, exceeds the estimated value of the RRPT(s) disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where a listed issuer has procured the shareholders' mandate pursuant to the above, the provision of paragraph 10.08 of the Listing Requirements shall not apply during the period of validity of the shareholders' mandate.

### 2.1.1 Principal Activities of MIECO Group

The principal activity of MIECO is investment holding and provision of management services while the principal activities of its subsidiaries are set out below:

Name of company	Effective equity interest (%)	Principal Activities
<b>Subsidiary of MIECO</b>		
Aspire Benchmark Sdn. Bhd.	100	Dormant
Great Platform Sdn. Bhd.	100	Manufacturing and trading of particle board and medium density fiber board
Mieco Chemicals Sdn. Bhd.	100	Dormant
Mieco International (H.K.) Limited	100	Dormant
Mieco Manufacturing Sdn. Bhd.	100	Manufacturing and marketing of chipboards and related products
Mieco Marketing Sdn. Bhd.	100	Dormant
Mieco Wood Resources Sdn. Bhd.	100	Dormant
Tudor Capital Sdn. Bhd.	100	Dormant
<b>Subsidiary of Great Platform Sdn. Bhd.</b>		
Particleboard Malaysia Sdn. Bhd.	100	Dormant
<b>Subsidiary of Mieco Wood Resources Sdn. Bhd.</b>		
Mieco Reforestation Sdn. Bhd.	100	Dormant

It is anticipated that MIECO Group would, in the normal course of business, continue to enter into transactions with the Related Parties, details of which are set out in Section 2.1.3 below. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

As such, the Board proposes to seek the shareholders' approval for the Proposed Shareholders' Mandate for the MIECO Group to enter into transactions in the normal course of business within the classes of Related Parties set out in Section 2.1.3 below, provided such transactions are entered into at arm's length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders. Such mandate will enable the Group to enter into the RRPT(s) without the necessity, in most instances, to make the relevant announcement or to convene meetings in order to procure specific prior approval of its shareholders. The RRPT(s) will also be subject to the review procedures set out in Section 2.1.4 below.



### **2.1.2 Validity Period of the Proposed Shareholders' Mandate**

The Proposed Shareholders' Mandate, if approved by the shareholders of MIECO at the 48<sup>th</sup> AGM, is subject to annual review and will continue to be in force until:

- (a) the conclusion of the next AGM following the 48<sup>th</sup> AGM of MIECO at which the Proposed Shareholders' Mandate is passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM;
- (b) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

Thereafter, approval from shareholders will be sought for the renewal of the Proposed Shareholders' Mandate.

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### 2.1.3 Classes of Related Parties and Nature of RRPT(s)

The nature of the Recurrent Transactions with Related Parties of which approval is being sought under the Proposed Shareholders' Mandate shall include, but are not limited to those described below:-

#### a) Proposed Renewal of Existing Shareholders' Mandate

Related Party and its Principal Activities	Transacting Party	Nature of Transactions	Estimated aggregate value <sup>(1)</sup> (RM'000)	Actual value transacted <sup>(2)</sup> (RM'000)	Estimated value of transaction <sup>(3)</sup> (RM'000)	Nature of relationship
SYF Group - Manufacture and export of moulded timber, furniture products, components parts, timber treatment processing and trading of chipboard and medium density fibreboard, property development.	MIECO Group	Purchase of logs, slabs, sawdust and chipboard from SYF Group and to pay sales commission to SYF Group	30,000	10,831	30,000	Dato' Sri Ng Ah Chai is the Group Managing Director and Major Shareholder of MIECO Group. He is also the Managing Director and Major Shareholder of SYF Group.
Seng Yip Furniture - Manufacture and trading of moulded timber and furniture products and timber treatment processing	MIECO Group	Sales of chipboards to SYF Group	20,000	4,261	0	Mr. Ng Wei Ping is the son of Dato' Sri Ng Ah Chai. He is also the Executive Director of MIECO and SYF.
Kiara Susila - Developer & Construction	Mieco Manufacturing	<sup>(a)</sup> Rental received from Seng Yip Furniture	100	45	100	Dato' Sri Ng Ah Chai is the Group Managing Director and Major Shareholder of MIECO Group. He is also the Managing Director and Major Shareholder of SYF Group.  Mr. Ng Wei Ping is the son of Dato' Sri Ng Ah Chai. He is also the Executive Director of MIECO and SYF.
	Mieco Manufacturing	<sup>(b)</sup> Rental payable to Kiara Susila	150	72	150	Dato' Sri Ng Ah Chai is the Group Managing Director and Major Shareholder of MIECO Group. He is also a Major Shareholder of Kiara Susila.

Related Party and its Principal Activities	Transacting Party	Nature of Transactions	Estimated aggregate value <sup>(1)</sup> (RM'000)	Actual value transacted <sup>(2)</sup> (RM'000)	Estimated value of transaction <sup>(3)</sup> (RM'000)	Nature of relationship
Seng Yip Furniture - Manufacture and trading of moulded timber and furniture products and timber treatment processing	Great Platform	(c) Rental received for sawmill @ Rompin	500	297	500	Dato' Sri Ng Ah Chai is the Group Managing Director and Major Shareholder of MIECO Group. He is also the Managing Director and Major Shareholder of SYF Group.  Mr. Ng Wei Ping is the son of Dato' Sri Ng Ah Chai. He is also the Executive Director of MIECO and SYF.

Notes on Nature of Transaction:-

- (1) As disclosed in the Circular to shareholders dated 24 June 2020.
- (2) From date of the last AGM on 23 July 2020 up to the LPD.
- (3) From the date of the forthcoming AGM to the date of next AGM. The estimated values are calculated based on the historical data and best estimates by the management. Accordingly, the actual value of the transaction may vary from the estimated value disclosed above and subject to changes.
- (a) Miteco Manufacturing rents log yard to Seng Yip Furniture based on the market value and is payable on monthly basis.
- (b) Miteco Manufacturing rents office lots from Kiara Susila based on the market value and is payable on monthly basis.
- (c) Great Platform rents sawmill to Seng Yip Furniture based on market value and is payable on monthly basis.

Description of Property:-

Description	Postal Address	Total Areas Approximately (Sq.Ft.)	Period of Tenancy	Ownership
Log yard	Lot 3, Kawasan Perindustrian Kechau Tui, 27100 Lipis, Pahang.	68,864	01.07.2019 – 30.06.2022	Miteco Manufacturing
Office lots	No. 1, Block C, Jalan Indah 2/6, Taman Indah, Batu 11, 43200 Cheras, Selangor.	1,400	01.11.2020 – 31.10.2021	Kiara Susila
Sawmill	Lot 436, 437 & 488, Jalan Rompin, Kilang, 72200 Batu Kikir, Daerah Jempol, Negeri Sembilan.	79,103	01.01.2019 – 31.12.2021	Great Platform

**b) Proposed New Shareholders' Mandate**

Related Party and its Principal Activities	Transacting Party	Nature of Transactions	Estimated value of transaction from the date of the forthcoming 48 <sup>th</sup> AGM to the date of next AGM <sup>(1)</sup> (RM'000)	Nature of relationship
SYF Group - Manufacture and export of moulded timber, furniture products, components parts, timber treatment processing and trading of chipboard and medium density fibreboard, property development.	MIECO Group	Sales of logs and other timber related materials to SYF Group	30,000	Dato' Sri Ng Ah Chai is the Group Managing Director and Major Shareholder of MIECO Group. He is also the Managing Director and Major Shareholder of SYF Group.  Mr. Ng Wei Ping is the son of Dato' Sri Ng Ah Chai. He is also the Executive Director of MIECO and SYF.

Notes on Nature of Transaction:

<sup>(1)</sup> The estimated values are calculated based on the historical data and best estimates by the management. Accordingly, the actual value of the transaction may vary from the estimated value disclosed above and subject to changes.

#### **2.1.4 Review Methods or Procedures for the Recurrent Related Party Transactions**

The MIECO Group has established various methods and procedures to ensure the RRPT(s) are undertaken on arms' length and on normal commercial terms, which are consistent with MIECO Group's usual business practices and policies, on terms which are not more favourable to the Related Parties than those extended to the public and are not detrimental to the minority shareholders.

The review and disclosure procedures are as follows:

- (i) The Related Parties, interested Directors and persons connected will be advised that they are subject to the shareholders mandate and will also be advised of the review and disclosure procedures;
- (ii) The transaction prices, terms and conditions which are market driven are to be determined at arms' length on a customer/supplier relationship basis at mutually agreed rates after due consideration of benefits to be derived from the transaction, under similar commercial terms for transactions with unrelated third parties, which depend on demand and supply, quality, level of service and other related factors;
- (iii) Some transactions may be on a cost recovery basis, being recovery of part of the costs for sharing or provision of some services or on a negotiated basis where both parties would contract on terms which are mutually acceptable and beneficial;
- (iv) The management of the MIECO Group is cognizant that all RRPT(s) are required to be undertaken on an arm's length basis and on normal commercial terms. Where practicable and feasible, quotation and/or tenders will be obtained from at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. Where it is impractical or impossible for quotes and/or tenders to be obtained from unrelated parties, or where there has not been any similar or substantially similar transactions between MIECO Group and unrelated third parties, the terms of the transactions for the products or services will be in accordance to the usual business practices of the Group to ensure that the RRPT(s) is not detrimental to the MIECO Group;
- (v) There are no specific thresholds for approval of RRPT(s) within the MIECO Group. However, all RRPT(s) are subject to the approval of the appropriate levels of authority as determined by the senior management and/or the Board from time to time, subject to the provisions in the Listing Requirements and/or the Act, where necessary. Where any Director has an interest (direct or indirect) in any RRPT(s), such Director shall abstain from deliberation and decision making.
- (vi) Records will be maintained by the respective companies to capture all RRPT(s) which are entered pursuant to the shareholders' mandate; and
- (vii) The Board shall have overall responsibility for the determination of the review procedures. If a member of the Board and Audit Committee has an interest in the transaction to be reviewed by the Board and Audit Committee, as the case may be, he will abstain from any decision making by the Board or Audit Committee in respect of the said transaction.

### **2.1.5 Outstanding RRPT(s) Receivables**

There is no amount due and owing to the Group by its Related Parties pursuant to the RRPT(s) as at the LPD, as such the disclosure as required under Paragraphs 16A and 16B in the Annexure PN12-A of the Listing Requirements are not applicable.

### **2.1.6 Disclosure in Annual Report**

Disclosure will be made in the annual report of the Company in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPT(s) entered into during the financial year based on the following information:

- (a) the type of the RRPT(s) made; and
- (b) the names of the Related Parties involved in each of the RRPT(s) made and their relationship with MIECO Group.

The above disclosure will be made in the Company's annual report for each subsequent financial year after the Proposed Shareholders' Mandate has been obtained.

### **2.1.7 Statement by Audit Committee**

The Audit Committee has the overall responsibility of determining whether the procedures for reviewing all RRPT(s) are appropriate. The Audit Committee will review and ascertain at least once a year whether the procedures established to monitor the RRPT(s) have been complied with. If it is determined that the procedures stated in Section 2.1.4 are inadequate to ensure that (i) the RRPT(s) will be conducted at arms' length and on normal commercial terms and (ii) such transactions are not prejudicial to the interest of the shareholders, the Company will obtain a fresh shareholders' mandate based on the new procedures.

The Audit Committee will also have the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such requests to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

The Audit Committee of the Company has seen and reviewed the procedures set out in Section 2.1.4 above and is of the view that MIECO has in place adequate procedures and processes to monitor, track and identify RRPT(s) in a timely and orderly manner and is of the opinion that the procedures are sufficient to ensure that the RRPT(s) will be carried out at arms' length and in accordance with MIECO Group's normal commercial terms, and hence, will not be prejudicial to the shareholders or disadvantageous to MIECO and not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of MIECO. The review of these procedures and processes is carried out at least once a year or when deemed necessary by the Audit Committee.

## **2.2 PROPOSED RENEWAL OF SHARE BUY-BACK**

The Board proposes to seek the approval of the shareholders for the renewal of authorisation for the Company to purchase and/or hold from time to time and at any time up to 10% of the total number of issued shares of MIECO for the time being quoted on Bursa Securities through stockbrokers. If approved by shareholders at the forthcoming 48<sup>th</sup> AGM, the authority conferred by the Proposed Renewal of Share Buy-Back will continue in force until the next AGM of the Company (whereupon it will lapse unless renewed at such meeting) or until it is varied or revoked by the Company in a general meeting (if so varied or revoked prior to the next AGM) or at the expiration of the period within which the next AGM after that date is required by law to be held, whichever occurs first.

### **2.2.1 The Maximum Number or Percentage of Shares to be Acquired**

The maximum number of Shares which may be purchased or acquired by the Company will be 10% of the total number of issued shares of the Company being quoted on Bursa Securities. As at LPD, the issued share of the Company is 839,999,966 Shares.

### **2.2.2 Source of Funds**

The maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back will be subject to the amount of retained profits of the Company. Based on the latest audited financial statements of MIECO for the FYE 31 December 2020, the retained profit of the Company stood at RM129,065,000-00. The Proposed Renewal of Share Buy-Back will be funded from internally generated funds. The authority for the Proposed Renewal of Share Buy-Back will allow the Directors to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period using the internal funds of the Company. The actual number of Shares to be purchased will depend on the market conditions and sentiments of the stock market, the availability of the retained profits as well as the financial resources available to the Group. In any event, the Board will ensure that the maximum funds to be used for the buy-back of its Shares shall not exceed the retained profits of the Company.

### **2.2.3 Pricing**

In accordance with the Listing Requirements, the Company may only purchase its own Shares on Bursa Securities at a price which is not more than 15% above the weighted average market price for the Shares for the past five (5) market days immediately preceding the date of purchase. The Company may only resell the Treasury Shares on Bursa Securities or transfer treasury shares pursuant to Section 127(7) of the Act, at:-

- (a) a price which is not less than the weighted average market price for the Shares for the five (5) market days immediately before the resale or transfer; or
- (b) a discounted price of not more than 5% to the weighted average market price for the Shares for the five (5) market days immediately before the resale or transfer provided that:
  - (i) the resale or transfer takes place not earlier than thirty (30) days from the date of purchase; and
  - (ii) the resale or transfer price is not less than the cost of purchase of the Shares being resold or transferred.

### **2.2.4 Treatment of Shares Purchased**

In accordance with Section 127 of the Act, the Directors will deal with the Shares purchased in the following manner:-

- to cancel the Shares so purchased; or
- to retain the Shares so purchased as Treasury Shares held by the Company; or
- to retain part of the Shares so purchased as Treasury Shares and cancel the remainder; or
- to distribute the Treasury Shares as dividends to shareholders; or
- to resell the Treasury Shares on Bursa Securities in accordance with the Listing Requirements of Bursa Securities; or

any combination of the above.

Where the Directors intend to retain the Shares purchased as Treasury Shares, cancel the Shares purchased, or both, an appropriate announcement will be made to Bursa Securities.

If the Board decides to retain the Shares purchased as Treasury Shares, it may distribute the Treasury Shares as dividend to the shareholders and/or resell the Shares purchased on Bursa Securities and utilise the proceeds for any feasible investment opportunity arising in the future, or as working capital. The treatment of the Shares purchased and Treasury Shares, whether treated as dividends, resold on Bursa Securities or cancelled by the Company, will be dependent on the availability of the retained profits of the Company. In the event that the Company ceases to hold all or any part of such Shares as a result of the above actions, the Company may further purchase and/or hold such additional number of Shares (in aggregate with Shares then held by the Company) which shall not exceed 10% of the total number of issued shares of the Company for the time being quoted on Bursa Securities.

While the Shares are held as Treasury Shares, the rights attached on them as to voting, dividends and participation in any other distribution and otherwise are suspended and the Treasury Shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purpose including major shareholdings, takeovers, notices, requisitioning of meetings, quorum for meetings and the result of votes on resolutions.

## **2.2.5 POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK**

The potential advantages and disadvantages of the Proposed Renewal of Share Buy-Back, if exercised, to the Company and its Shareholders are as follows:-

### **Potential Advantages**

- Where the Directors resolve to cancel the Shares so purchased, the Company expects to enhance the EPS of the Group as a result of the reduction in the issued and paid-up share capital of the Company, thereby enabling long term and genuine investors to enjoy any potential corresponding increase in the value of their investments in the Company;
- As permitted under Section 127 of the Act, where the Shares bought back are retained as Treasury Shares, the Directors would have an option to distribute these Shares as dividends to reward the shareholders; and
- The Company may be able to reduce any unwarranted volatility of its Shares and assist to stabilise the supply, demand and price of its Shares in the open market, thereby supporting the fundamental value of its Shares.

### **Potential Disadvantages**

- The Proposed Renewal of Share Buy-Back, if implemented, will reduce the financial resources of the Group and may result in the Group foregoing better investment opportunities that may emerge in the future or, at least, deprive MIECO and the Group of interest income that can be derived from the funds utilised for the Proposed Renewal of Share Buy-Back; and
- It may also result in a lower amount of cash reserves available for dividends to be declared to shareholders as funds are utilised to purchase Shares.

However, this disadvantage is mitigated by the prospect that the final resources of the Group may increase, if the Shares purchased held as Treasury Shares are re-sold at prices higher than their purchase price. The Board in exercising any decision on the Proposed Renewal of Share Buy-Back will be mindful of the interest of the Company and its shareholders.



## 2.2.6 PUBLIC SHAREHOLDING SPREAD

As at LPD, the public shareholding spread of MIECO was 42.56%. The public shareholding spread is expected to be reduced to 36.18% assuming the Proposed Renewal of Share Buy-Back is implemented in full and all the Shares so purchased are cancelled. However, the Board will ensure that prior to any share buy-back exercise, the public shareholding spread of at least 25% is maintained.

## 2.2.7 IMPLICATIONS RELATING TO THE CODE

There is no implication arising from the provision of the Malaysian Code on Take-Overs and Mergers, 2016 to the Company if the Proposed Renewal of Share Buy-Back Authority is carried out in full.

## 2.2.8 PREVIOUS PURCHASES, RESALE AND CANCELLATION OF TREASURY SHARES

There has not been any purchase of Shares made by the Company in the previous twelve (12) months made up to the date of this Circular. MIECO does not have any Treasury Shares and has not resold or cancelled any Treasury Shares in the same period.

## 2.2.9 HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of MIECO Shares for the past twelve (12) months as transacted on Bursa Securities are as follows:-

	<b>High RM</b>	<b>Low RM</b>
<b>2020</b>		
April	0.26	0.21
May	0.26	0.22
June	0.29	0.22
July	0.29	0.24
August	0.35	0.26
September	0.43	0.31
October	0.50	0.36
November	0.75	0.47
December	0.93	0.72
<b>2021</b>		
January	0.94	0.76
February	0.99	0.85
March	0.96	0.84

The last transacted market price on 16 April 2021 : RM0.56 (*being the latest practicable date prior to the printing of this Circular*)

(Source: KLSE Screener)

### **3. RATIONALE FOR THE PROPOSALS**

#### **3.1 PROPOSED SHAREHOLDERS' MANDATE**

The Proposed Shareholders' Mandate will enable the MIECO Group to carry out RRPT(s) necessary for the Group's day-to-day operations, which are time sensitive in nature, and will eliminate the need to announce and convene separate general meetings (if applicable) from time to time to seek shareholders' mandate for such transaction. This will substantially reduce the expenses, time and other resources associated with convening of general meetings on an ad hoc basis, improve administrative efficiency and allow financial and manpower resources to be channeled towards attaining other corporate objectives.

The RRPT(s) carried out within the MIECO Group creates mutual benefits for the companies in the Group, such as expediency and increased efficiency necessary for its day-to-day operations.

In addition, the RRPT(s) are intended to meet the business needs of the Group on the best possible terms. By transacting with the Related Parties, the Group would have an advantage of familiarity with the background and management of the Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, the Group and the Related Parties have close co-operation and a good understanding of each other's business needs thus providing a platform where all parties can benefit from conducting the RRPT(s).

#### **3.2 PROPOSED RENEWAL OF SHARE BUY-BACK**

The Proposed Renewal of Share Buy-Back, if implemented, will enable the MIECO Group to utilise any of its surplus financial resources which is not immediately required for other uses to purchase its own Shares from the market. The Proposed Renewal of Share Buy-Back is expected to stabilise the supply and demand as well as the price of the Shares.

Other things being equal, the Proposed Renewal of Share Buy-Back, regardless of whether the Shares purchased are maintained as Treasury Shares or cancelled, will strengthen the EPS of the Company which in turn is expected to have a positive impact on the market price of the Shares.

The Shares purchased may be held as Treasury Shares and resold on Bursa Securities at a higher price with the intention of realising a potential gain without affecting the issued share capital of the Company. Should any Treasury Shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

### **4. EFFECTS OF THE PROPOSALS**

The Proposed Shareholders' Mandate will not have any material effect on the share capital of the Company as well as the consolidated NA, gearing, EPS, and the shareholdings of the substantial shareholders of MIECO.

The effects of the Proposed Renewal of Share Buy-Back are illustrated as follows:-

On the assumption that the Proposed Renewal of Share Buy-Back is carried out in full, the effects of the Proposed Renewal of Share Buy-Back on the share capital, NA, working capital, earnings, dividends and gearing of the Company are set out as below:-

**(a) Share Capital**

In the event that the maximum number of Shares authorised under the Proposed Renewal of Share Buy-Back are purchased and subsequently cancelled, the effects of the Proposed Renewal of Share Buy-Back on the issued share capital of the Company will be as follows:-

	No. of MIECO Shares
Issued and paid-up share capital as at 16 April 2021	839,999,966
Cancellation of Purchased Shares	(83,999,997)
Issued share capital after the Proposed Shares Buy-Back	755,999,969

However, if all the Shares purchased are retained as Treasury Shares, the Proposed Renewal of Share Buy-Back would not have any effect on the issued share capital of the Company, although substantially all rights attached to the Shares held as Treasury Shares would be suspended. While these Shares remain as Treasury Shares, the Act prohibits the taking into account of such Shares in calculating the number or percentage of Shares in the Company for any purpose whatsoever including major shareholdings, takeovers, notices, requisitioning of meetings, quorum for meetings and the result of votes on resolutions.

**(b) NA**

The effects of the Proposed Renewal of Share Buy-Back on the consolidated NA per share of MIECO would be dependent on the purchase price of the Shares, the effective funding cost to MIECO Group to finance the purchase of the Shares and/or any loss of interest income to the Company and whether the Shares purchased are cancelled, retained as Treasury Shares or resold on Bursa Securities.

In the event the Shares purchased are cancelled by the Company, the consolidated NA per share of MIECO would improve if the purchase price of the Shares is below the NA per share of the Company, and vice versa.

If the Treasury Shares are resold in the open market, the consolidated NA per share of MIECO may increase if the Company realises a gain from the resale, and vice versa. If the Treasury Shares are distributed as share dividends, the NA of MIECO Group would be accordingly decreased by the cost of acquisition of the Treasury Shares.

**(c) Working Capital**

The Proposed Renewal of Share Buy-Back will reduce the working capital of MIECO Group, the quantum of which would depend on, amongst other, the number of Shares eventually purchased and the purchase price of the Shares. The cash flow of MIECO Group will be reduced relatively to the number of Shares eventually purchased and the purchase price of the Shares. For Shares so purchased which are kept as Treasury Shares, upon its resale, the working capital and cash flow of the Company will increase. The quantum of the increase in the working capital and cash flow will depend on the actual selling price of the Treasury Shares and the number of Treasury Shares resold.

**(d) Earnings**

The effects of the Proposed Renewal of Share Buy-Back on the EPS of MIECO Group are dependent on the purchase prices of the Shares and the effective funding cost, if any, or any loss in interest income to the Group. If the Shares purchased by the Company are cancelled, the net EPS of MIECO may increase as a result of the reduction in the issued share capital of the Company. In the event that the Treasury Shares are resold on the open market, the EPS of MIECO Group may also increase if the Company realises a gain from the resale, and vice versa. Assuming that the Shares purchased are being retained as Treasury Shares and subsequently resold, the effects on the earnings of the Group will depend on the actual selling price, the number of Treasury Shares resold and the effective gain or loss arising from the resale.

(e) **Dividends**

The Proposed Renewal of Share Buy-Back is not expected to have any impact on the policy of the Board in recommending dividends, if any, to the shareholders of MIECO. However, the Board may distribute future dividends in the form of Shares which have been bought back and retained as Treasury Shares.

(f) **Gearing**

In executing any future share buy-back, the Board will endeavor that the exercise does not have significant impact on the gearing of the Group.

**5. INTERESTS OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

**5.1 PROPOSED SHAREHOLDERS' MANDATE**

As at the LPD, the direct and indirect interests of the Directors and/or Major Shareholders and/or persons connected to the Directors and/or Major Shareholders of MIECO who are interested and/or do not consider themselves independent in the RRPT(s) are as follows :

	Direct		Indirect	
	No. of MIECO Shares	%	No. of MIECO Shares	%
<b><u>Interested Directors</u></b>				
Dato' Sri Ng Ah Chai	482,472,219	57.437	-	-
Mr. Ng Wei Ping	-	-	-	-
<b><u>Interested Major Shareholder</u></b>				
Dato' Sri Ng Ah Chai	482,472,219	57.437	-	-

Mr. Ng Wei Ping is deemed interested in the Proposed Shareholders' Mandate by virtue of him being appointed as the Executive Director of both MIECO and SYF. He is the son of Dato' Sri Ng Ah Chai. As at the LPD, save for the shareholdings of Dato' Sri Ng Ah Chai in MIECO, Mr. Ng Wei Ping does not hold any direct and indirect equity interest in MIECO.

Accordingly, Dato' Sri Ng Ah Chai and Mr. Ng Wei Ping ("Interested Directors") have and will continue to abstain from all deliberations and voting on matters relating to the Proposed Shareholders' Mandate at Board meetings and will abstain from voting in respect of his direct and/or indirect shareholdings in MIECO at the forthcoming 48<sup>th</sup> AGM on the resolution pertaining to the Proposed Shareholders' Mandate.

The Interested Major Shareholder, Dato' Sri Ng Ah Chai ("Interested Major Shareholder") will abstain from voting in respect of his direct and/or indirect shareholdings on the resolution, deliberating or approving the Proposed Shareholders' Mandate at the forthcoming 48<sup>th</sup> AGM.

The above Interested Directors and Interested Major Shareholder have undertaken that they shall ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution, deliberating or approving the Proposed Shareholders' Mandate at the forthcoming 48<sup>th</sup> AGM.

Save as disclosed above, none of the other Directors and/or Major Shareholder and/or persons connected with a Director or Major Shareholder of MIECO has any interest, directly or indirectly in the Proposed Shareholders' Mandate.

## 5.2 PROPOSED RENEWAL OF SHARE BUY-BACK

Save for the inadvertent increase in the percentage of shareholding and/or voting rights of the shareholders of the Company as a consequence of the Proposed Renewal of Share Buy-Back, none of the Directors, Major Shareholders and/or Persons Connected with them has any interest, direct or indirect, in the Proposed Share Buy-Back, and the resale of Treasury Shares, if any.

The following illustrates the proforma effects on the shareholdings of the Directors, Major Shareholders and/or Persons Connected with them (who had direct and/or indirect interests in Shares) as at LPD, assuming that the Company implements the Proposed Renewal of Share Buy-Back in full and that the Shares purchased are from public shareholders:

	Before Proposed Shares Buy-Back					After Proposed Shares Buy-Back				
	Direct			Indirect		Direct			Indirect	
	No. of MIECO Shares	%	No. of MIECO Shares	%	No. of MIECO Shares	%	No. of MIECO Shares	%		
<b>Directors</b> Dato' Sri Ng Ah Chai	482,472,219	57.437	-	-	482,472,219	63.819	-	-		
<b>Major Shareholder</b> Dato' Sri Ng Ah Chai	482,472,219	57.437	-	-	482,472,219	63.819	-	-		

## 6. APPROVALS REQUIRED

The Proposals are subject to the approval being obtained from the shareholders of MIECO at the forthcoming 48<sup>th</sup> AGM of the Company to be convened.

The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by MIECO.

Save for the Proposals, there are no other corporate exercise announced but pending completion.

## 7. DIRECTORS' RECOMMENDATION

The Directors of MIECO (save for Dato' Sri Ng Ah Chai and Mr. Ng Wei Ping) having considered all aspects of the Proposed Shareholders' Mandate and after careful deliberation, are of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Company and accordingly, the Board (save for Dato' Sri Ng Ah Chai and Mr. Ng Wei Ping) recommended that the shareholders of MIECO vote in favour of the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

The Directors of MIECO having considered all aspects of the Proposed Renewal of Share Buy-Back and after careful deliberation, are of the opinion that they are in the best interest of the Company and accordingly, the Board recommended that the shareholders of MIECO vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back to be tabled at the forthcoming AGM.

## **8. 48<sup>th</sup> AGM**

The 48<sup>th</sup> AGM of the Company, the notice of which is enclosed together with the 2020 Annual Report of the Company, will be conducted on a virtual basis entirely through live streaming from the broadcast venue at Board Room, No. 1, Block C, Jalan Indah 2/6, Taman Indah, Batu 11, 43200 Cheras, Selangor on Thursday, 27 May 2021 at 9.30 a.m. or at any adjournment thereof for the purpose considering and, if thought fit, passing the resolution to give effect to the Proposals.

If you are unable to attend and vote in person at the 48<sup>th</sup> AGM, you are requested to complete, sign and return the Form of Proxy enclosed in the 2020 Annual Report in accordance with the instructions printed therein as soon as possible so as to arrive at the office of the Company's Share Registrar, Metra Management Sdn. Bhd. at 35<sup>th</sup> Floor, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur at least forty-eight (48) hours before the time appointed for the AGM or any adjournment thereof.

The completion and return of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

## **9. FURTHER INFORMATION**

Shareholders are requested to refer to Appendix I contained in this Circular for further information.

Yours faithfully  
For and on behalf of the Board  
**MIECO CHIPBOARD BERHAD**

**DATUK DR. ROSLAN BIN A. GHAFFAR**  
Independent Non-Executive Chairman

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## APPENDIX I – FURTHER INFORMATION

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### 1. DIRECTORS' RESPONSIBILITY STATEMENT

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

### 2. MATERIAL CONTRACTS

Save as disclosed below, MIECO and its subsidiaries has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within two (2) years immediately preceding the date of this Circular:

- a. On 5 November 2019, Great Platform entered into a sale and purchase agreement (“SPA”) with Bagus Timber Sdn. Bhd. (Company No. 201801031869 (1293894-H)) to dispose of all that piece of freehold land held under Geran 268523, Lot No. 40057, Tempat Berhampiran Jalan Utama Tampin Gemas, Mukim Gemas (formerly known as H.S. (D) 17592, PT 1150, Bandar Gemas), Daerah Tampin, Negeri Sembilan measuring approximately 51750 square metres together with all the buildings erected thereon bearing the postal address of 1777, 1778-1779 (Lot 12071 & 12072), Jalan Tampin Gemas, 73400 Gemas, Negeri Sembilan at a disposal price of RM16,300,000-00. As at the LPD, the transaction has been completed.

### 3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

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

### 4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by the shareholders of MIECO at the Registered Office of MIECO at No. 1, Block C, Jalan Indah 2/6, Taman Indah, Batu 11, 43200 Cheras, Selangor during normal office hours between Monday and Friday (except public holidays) from the date of this Circular up to and including the date of the forthcoming 48<sup>th</sup> AGM:

- (i) The Constitution of MIECO;
- (ii) The audited financial statements of MIECO Group for the past two (2) financial years ended 31 December 2019 and 31 December 2020;
- (iii) The latest unaudited results since the last audited financial statements; and
- (iv) Material contracts referred to in Section 2 above.



## **MIECO CHIPBOARD BERHAD**

[Registration No. 197201001235(12849-K)]

(Incorporated in Malaysia)

### **EXTRACT OF NOTICE OF THE FORTY-EIGHTH ANNUAL GENERAL MEETING**

#### **ORDINARY RESOLUTION 6**

##### **Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

"THAT, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature as set out in the Circular to Shareholders dated 28 April 2021, provided that such transactions are undertaken in the ordinary course of business, on arm's length basis, on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders;

THAT such approval shall continue to be in force until the earlier of:

- (i) the conclusion of the next Annual General Meeting of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the next Annual General Meeting;
- (ii) the expiration of the period within which the next Annual General Meeting is to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) such approval is revoked or varied by resolution passed by shareholders in a general meeting before the next Annual General Meeting;

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to this Ordinary Resolution."

#### **ORDINARY RESOLUTION 7**

##### **Proposed Renewal of Authority for the Company to Purchase Its Own Shares ("Proposed Renewal of Share Buy-Back")**

"THAT, subject always to the Companies Act 2016, the provisions of the Constitution of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that:

- (i) the aggregate number of shares purchased does not exceed 10% of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase(s);
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest Audited Financial Statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s); and



- (iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends;

THAT the authority conferred by this Resolution shall commence immediately and shall continue to be in force until the conclusion of the next Annual General Meeting of the Company following the passing of this Ordinary Resolution, unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting;

AND THAT authority be and is hereby given to the Directors of the Company to act and take all such steps and do all things as are necessary or expedient to implement, finalise and give full effect to the aforesaid purchase.”

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