

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

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

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has only conducted limited review on this Circular pursuant to the Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. 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)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

**PROPOSED BONUS ISSUE OF UP TO 315,000,000 NEW ORDINARY SHARES IN MIECO ("MIECO SHARE(S)" OR "SHARE(S)") ("BONUS SHARE(S)") ON THE BASIS OF 3 BONUS SHARES FOR EVERY 5 EXISTING MIECO SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Adviser*

**UOBKayHian**

**UOB Kay Hian Securities (M) Sdn Bhd**

Registration No. 199001003423 (194990-K)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") of Miecoco Chipboard Berhad ("**Company**") will be conducted 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 Wednesday, 31 March 2021 at 9:30 a.m. The Notice of the EGM and the Form of Proxy are enclosed herein.

A member who is entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his/ her behalf. In such event, the Form of Proxy must be lodged at the office of the Company's Share Registrar at 35<sup>th</sup> Floor, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur ("**Share Registrar Office**") not less than 48 hours before the time for holding the EGM, or at any adjournment thereof, either by hand or post to the Share Registrar Office or email to [corporate@mweh.com.my](mailto:corporate@mweh.com.my). In the case where the instrument appointing a proxy is delivered by email, the original instrument appointing a proxy shall be deposited at the Share Registrar Office, either by hand or post not less than 48 hours before the time for holding the EGM, or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Monday, 29 March 2021 at 9:30 a.m.

Date and time of the EGM : Wednesday, 31 March 2021 at 9:30 a.m.

This Circular is dated 16 March 2021

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## DEFINITIONS

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

"Act"	:	The Companies Act 2016
"Board"	:	The Board of Directors of Mieco
"Bonus Share(s)"	:	Up to 315,000,000 new Mieco Shares to be issued pursuant to the Proposed Bonus Issue of Shares
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"Circular"	:	This circular dated 16 March 2021 in relation to the Proposed Bonus Issue of Shares
"Director(s)"	:	The director(s) of Mieco and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
"EGM"	:	Extraordinary general meeting of Mieco
"Entitled Shareholders"	:	Shareholders of Mieco whose names appear in the Record of Depositors of the Company on the Entitlement Date
"Entitlement Date"	:	A date to be determined and announced later by the Board, on which the names of the shareholders of the Company must appear in the Record of Depositors of the Company at 5.00 p.m. in order to participate in the Proposed Bonus Issue of Shares
"EPS"	:	Earnings per Share
"FYE"	:	Financial year ended/ ending
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	11 March 2021, being the latest practicable date prior to the printing and dispatch of this Circular
"Market Day(s)"	:	Any day between Monday to Friday (inclusive of both days), which is not a public holiday and on which Bursa Securities is open for trading of securities
"Mieco" or the "Company"	:	Mieco Chipboard Berhad (Registration No. 197201001235 (12849-K))
"Mieco Group" or the "Group"	:	Mieco and its subsidiaries, collectively
"Mieco Share(s)" or "Share(s)"	:	Ordinary share(s) in Mieco

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## DEFINITIONS (CONT'D)

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"NA"	:	Net asset attributable to ordinary equity holders of the Company
"Proposed Bonus Issue of Shares"	:	Proposed bonus issue of up to 315,000,000 Bonus Shares on the basis of 3 Bonus Shares for every 5 existing Mieco Shares held on the Entitlement Date
"Record of Depositors"	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"TEBP"	:	Theoretical Ex-Bonus Price
"UOB Kay Hian" or the "Adviser"	:	UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423 (194990-K))
"VWAP"	:	Volume weighted average market price

Unless otherwise stated and wherever applicable, the amount represented in this Circular has been rounded to the nearest whole number, for ease of reference.

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

References to **"you"** or **"your(s)"** in the Circular are made to shareholders of Mieco and references to **"our Company"** or **"the Company"** or **"we"** or **"us"** or **"our"** or **"ourselves"** are made to our Company, and where the context requires, our Company and our subsidiaries. Unless the context otherwise requires, references to **"Board"** are to our Board of Directors and **"Management"** are to our Executive Directors and key management personnel as at the LPD of this Circular.

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 day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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## EXECUTIVE SUMMARY

*This Executive Summary highlights only the salient information of the Proposed Bonus Issue of Shares. The shareholders of Mieco are advised to read the Circular in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposed Bonus Issue of Shares before voting at the EGM.*

Key information	Description	Reference to Circular
<b>Issue size and basis of allotment</b>	The Proposed Bonus Issue of Shares entails the issuance of up to 315,000,000 Bonus Shares on the basis of 3 Bonus Shares for every 5 existing Mieco Shares held on an entitlement date to be determined and announced later.	<b>Sections 1 and 2</b>
<b>Rationale and justifications</b>	<ul style="list-style-type: none"> <li>(i) To reward you, as our shareholder, for your loyalty and continued support to our Group;</li> <li>(ii) To increase the number of Mieco Shares held by you, as our shareholder, whilst maintaining your percentage of equity interest in our Company;</li> <li>(iii) To improve the trading liquidity and marketability of Mieco Shares, therefore providing opportunity for a broader range of investors to participate in the equity of our Company; and</li> <li>(iv) To preserve our Company's reserves and total NA as the Proposed Bonus Issue of Shares will be implemented without capitalisation of our Company's reserves.</li> </ul>	<b>Section 3</b>
<b>Effects</b>	<p>The effects of the Proposed Bonus Issue of Shares are as follows:-</p> <ul style="list-style-type: none"> <li>(i) The number of Mieco Shares in issue will increase without affecting our issued share capital in RM value;</li> <li>(ii) No effect on the gearing ratio and the earnings of our Group, and the percentage of shareholdings of our shareholders; and</li> <li>(iii) However, NA per Share and EPS of our Group will be diluted due to the increase in the number of Mieco Shares in issue.</li> </ul>	<b>Section 4</b>
<b>Interested parties and any conflict of interest from the Proposed Bonus Issue of Shares</b>	<p>None of our Directors, major shareholders, chief executives and/ or persons connected to them has any interest, either direct or indirect, in the Proposed Bonus Issue of Shares save for their respective entitlements as our shareholders under the Proposed Bonus Issue of Shares, the Bonus Shares of which, are also available to all other shareholders of our Company.</p> <p>UOB Kay Hian is an independent party, which has no conflict of interest or potential conflicts of interest arising from its role as the Adviser for the Proposed Bonus Issue of Shares.</p>	<b>Section 7 and Appendix I</b>
<b>Approvals required</b>	<p>The Proposed Bonus Issue of Shares is subject to the following approvals being obtained:-</p> <ul style="list-style-type: none"> <li>(i) Bursa Securities, the approval of which has already been obtained on 10 March 2021, for the listing and quotation for the Bonus Shares on the Main Market of Bursa Securities;</li> <li>(ii) Our shareholders at the forthcoming EGM; and</li> <li>(iii) Any other relevant authority and/ or third parties, if required.</li> </ul>	<b>Section 6</b>
<b>Board's recommendation</b>	Our Board recommends that you <b>vote in favour</b> for the resolution pertaining to the Proposed Bonus Issue of Shares, which will be tabled at the forthcoming EGM, the details of which are set out in the cover page of this Circular and the Notice of EGM as enclosed.	<b>Section 10</b>



## **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

16 March 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, Keith (*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 Miecoco**

Dear Sir/ Madam,

### **PROPOSED BONUS ISSUE OF SHARES**

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#### **1. INTRODUCTION**

On 2 March 2021, UOB Kay Hian had, on behalf of our Board, announced that our Company proposed to undertake a bonus issue of up to 315,000,000 Bonus Shares on the basis of 3 Bonus Shares for every 5 existing Miecoco Shares held on an entitlement date to be determined and announced later by our Board.

For information purpose, the Proposed Bonus Issue of Shares shall be undertaken via the enhanced bonus issue framework (no par value regime). Pursuant to the enhanced bonus issue framework, the Bonus Shares will be issued as fully paid Shares at nil consideration and without capitalisation from our reserves. Accordingly, the Proposed Bonus Issue of Shares will increase the number of Miecoco Shares without affecting the value of our issued share capital.

On 11 March 2021, UOB Kay Hian had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 10 March 2021, resolved to approve the listing and quotation for up to 315,000,000 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares, subject to the conditions as set out in **Section 6** of this Circular.

Further details of the Proposed Bonus Issue of Shares are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED BONUS ISSUE OF SHARES AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE OF SHARES TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENT OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE OF SHARES TO BE TABLED AT THE FORTHCOMING EGM.

## 2. DETAILS OF THE PROPOSED BONUS ISSUE OF SHARES

As at the LPD, our issued share capital is approximately RM215.87 million comprising 525,000,000 Mieco Shares. For avoidance of doubt, our Company does not retain any treasury shares or has any outstanding convertible securities as at the LPD.

### 2.1 Basis and number of Bonus Shares to be issued

The Proposed Bonus Issue of Shares entails the issuance of up to 315,000,000 Bonus Shares on the basis of 3 Bonus Shares for every 5 existing Shares held by our shareholders whose names appear in our Record of Depositors on the Entitlement Date. The actual number of Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares will depend on our total issued Shares on the Entitlement Date.

In determining entitlements under the Proposed Bonus Issue of Shares, fractional entitlements, if any, shall be dealt with in such manner as our Board in its absolute discretion deems fit and expedient, and in the best interest of our Company.

There will be an adjustment to the market price of Mieco Shares listed and quoted on the Main Market of Bursa Securities pursuant to the Proposed Bonus Issue of Shares. Pursuant to Paragraph 6.30 (1A) of the Listing Requirements, a listed issuer must ensure that its share price adjusted for a bonus issue is not less than RM0.50 based on the daily VWAP during the 3-month period before the application date (Pricing Condition).

Purely for illustrative purpose only, based on the 5-day VWAP of Mieco Share and the average of 3-month daily VWAP of Mieco Share up to and including the LPD, the TEBP of Mieco Share pursuant to the Proposed Bonus Issue of Shares is as follows:-

	Before the Proposed Bonus Issue of Shares Market price/ Share RM	After the Proposed Bonus Issue of Shares TEBP/ Share RM
5-day VWAP up to the LPD	0.9170	0.5731
Average of 3-month daily VWAP up to the LPD	0.8747	0.5467

Based on the above, the Proposed Bonus Issue of Shares is in compliance with the provision under the Paragraph 6.30 (1A) of the Listing Requirements.

The Proposed Bonus Issue of Shares will not be implemented on a staggered basis.

## **2.2 No capitalisation of reserves**

Under the Act, a bonus issue can be undertaken either:-

- (i) by way of capitalisation of the retained earnings/ accumulated profits of a company; or
- (ii) without capitalisation, where a company may issue and allot the bonus shares at nil consideration.

In view of the above, our Board has resolved that the implementation of the Proposed Bonus Issue of Shares shall be undertaken without any capitalisation from our reserves and that the Bonus Shares shall be issued as fully paid Shares at nil consideration. Therefore, our Company's issued share capital in RM value will not be affected albeit an increase in the number of Shares in issue pursuant to the Proposed Bonus Issue of Shares.

As the Proposed Bonus Issue of Shares is undertaken without capitalisation from our reserves, it allows our Board to preserve our reserves with the aim to ensure that our Company has sufficient reserves to facilitate any future dividend payment of our Company.

## **2.3 Ranking of the Bonus Shares**

The Bonus Shares will, upon allotment and issuance, rank equally in all respects with the existing issued Shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid before the Entitlement Date.

For shareholders' information, as Mico Shares are prescribed securities under Section 14(5) of the Securities Industry (Central Depositories) Act, 1991, the Bonus Shares will be credited directly into the respective CDS accounts of our Entitled Shareholders and no physical share certificates will be issued.

## **2.4 Listing and quotation for the Bonus Shares**

Approval has been obtained from Bursa Securities vide its letter dated 10 March 2021 for the listing and quotation for the Bonus Shares to be issued on the Main Market of Bursa Securities pursuant to the Proposed Bonus Issue of Shares. The Bonus Shares shall be listed and quoted on the Main Market of Bursa Securities on the next market day following the Entitlement Date.

## **3 RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED BONUS ISSUE OF SHARES**

After due consideration of the various options available, including amongst others, issuance of other convertible securities, our Board is of the view that the Proposed Bonus Issue of Shares is an appropriate avenue to reward you, as our shareholder, for your loyalty and continued support to Mico Group as the Proposed Bonus Issue of Shares:-

- (i) will allow you, as our shareholder, to increase your number of Mico Shares held without incurring any cost, whilst maintaining your percentage of equity interest in our Company;
- (ii) is expected to improve the trading liquidity and marketability of Mico Shares due to the lower trading price, therefore providing opportunity for a broader range of investors to participate in the equity of our Company without affecting our overall market capitalisation; and
- (iii) will allow our Company to preserve our reserves and total NA for future needs as the Proposed Bonus Issue of Shares will be implemented via the adoption of the enhanced bonus issue framework without capitalisation of our Company's reserves.



## 4 EFFECTS OF THE PROPOSED BONUS ISSUE OF SHARES

The effects of the Proposed Bonus Issue of Shares on the issued share capital of our Company, NA per Share and gearing ratio of our Group, earnings and EPS of our Group, convertible securities of our Company (if any) and substantial shareholder's shareholding of our Company, are set out below:-

### 4.1 Issued share capital

The pro forma effects of the Proposed Bonus Issue of Shares on our issued share capital are set out as follows:-

	No. of Shares	RM'000
Issued share capital as at the LPD	525,000,000	215,866
Shares to be issued pursuant to the Proposed Bonus Issue of Shares	315,000,000	- <sup>1</sup>
<b>Enlarged issued share capital</b>	<b>840,000,000</b>	<b>215,866</b>

**Note:-**

<sup>1</sup> The Proposed Bonus Issue of Shares is undertaken without capitalisation from our reserves, hence the Bonus Shares will be issued as fully paid at nil consideration.

### 4.2 NA per Share and gearing ratio

Based on our latest audited consolidated statements of financial position of Mieco Group as at FYE 31 December 2019, the pro forma effects of the Proposed Bonus Issue of Shares on our Group's NA per Share and gearing ratio are set out as follows:-

	Audited FYE 31 December 2019 RM'000	Post-Proposed Bonus Issue of Shares RM'000
Share capital	215,866	215,866
Retained earnings	124,673	124,573 <sup>1</sup>
<b>Shareholders' funds/ NA</b>	<b>340,539</b>	<b>340,439</b>
No. of Shares in issue ('000 unit)	525,000	840,000
NA per Share (RM)	0.65	0.41
Total borrowings <sup>2</sup> (RM'000)	254,047	254,047
Gearing ratio (times)	0.75	0.75

**Notes:-**

<sup>1</sup> After deducting estimated expenses of approximately RM100,000 in relation to the Proposed Bonus Issue of Shares

<sup>2</sup> Includes all interest bearing borrowings, amount owing and leases

### 4.3 Earnings and EPS

The Proposed Bonus Issue of Shares, which is expected to be completed in the second quarter of 2021, is not expected to have any material effect on the earnings of our Group for the FYE 31 December 2021. Notwithstanding the above, our Group's EPS will be proportionately diluted due to the increase in the number of Mieco Shares in issue upon completion of the Proposed Bonus Issue of Shares.

### 4.4 Convertible Securities

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

#### 4.5 Substantial shareholder's shareholding

The Proposed Bonus Issue of Shares will not have any effect on the percentage of shareholding of our substantial shareholder as the Bonus Shares will be allotted on a pro-rata basis to all of our shareholders. However, the number of Mico Shares held by each of our shareholders will increase proportionately pursuant to the Proposed Bonus Issue of Shares. The pro forma effects of the Proposed Bonus Issue of Shares on our substantial shareholder's shareholding are set out as follows:-

Substantial shareholder	Direct shareholding as at the LPD		Post-Proposed Bonus Issue of Shares	
	No. of Shares	% <sup>*1</sup>	No. of Shares	% <sup>*2</sup>
Dato' Sri Ng Ah Chai	301,545,137	57.44	482,472,218	57.44

**Notes:-**

<sup>\*1</sup> Based on total issued Shares of 525,000,000

<sup>\*2</sup> Based on enlarged issued Shares of 840,000,000

#### 5 HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Mico Shares as traded on Bursa Securities for the past 12 months from March 2020 to February 2021 are set out below:-

	High RM	Low RM
<b>2020</b>		
March	0.260	0.180
April	0.255	0.210
May	0.255	0.220
June	0.285	0.220
July	0.285	0.240
August	0.350	0.260
September	0.430	0.305
October	0.500	0.360
November	0.750	0.470
December	0.925	0.720
<b>2021</b>		
January	0.940	0.755
February	0.990	0.845
Last transacted market price on 1 March 2021 (being the last transacted date prior to the announcement on the Proposed Bonus Issue of Shares)		0.865
Last transacted market price as at the LPD		0.885

(Source: Bloomberg)

## 6 APPROVALS REQUIRED/ OBTAINED

The Proposed Bonus Issue of Shares is conditional upon the following approvals being obtained:-

- (i) Bursa Securities, the approval of which has been obtained on 10 March 2021 for the listing and quotation for the Bonus Shares on the Main Market of Bursa Securities and subject to the following conditions:-
  - (a) Mico and UOB Kay Hian must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue of Shares;
  - (b) Mico and UOB Kay Hian to inform Bursa Securities upon completion of the Proposed Bonus Issue of Shares;
  - (c) Mico/ UOB Kay Hian to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders at the forthcoming EGM for the Proposed Bonus Issue of Shares;
  - (d) Mico and UOB Kay Hian to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue of Shares is completed; and
  - (e) Mico and UOB Kay Hian are required to make the relevant announcements in accordance with Paragraphs 6.35(2)(a)&(b) and 6.35(4) of the Listing Requirements;
- (ii) Our shareholders for the Proposed Bonus Issue of Shares at the forthcoming EGM; and
- (iii) Any other relevant authority/ or third parties, if required.

The Proposed Bonus Issue of Shares is not conditional upon any other proposal undertaken or to be undertaken by our Company.

## 7 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVES AND/ OR PERSONS CONNECTED TO THEM

None of our Directors, major shareholders, chief executives and/ or persons connected to them has any interest, either direct or indirect, in the Proposed Bonus Issue of Shares, save for their respective entitlements as our shareholders under the Proposed Bonus Issue of Shares, the Bonus Shares of which, are also available to all other shareholders of our Company.

## 8 ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals being obtained, our Board expects the Proposed Bonus Issue of Shares to be completed in the second quarter of 2021.

The tentative timetable in relation to the Proposed Bonus Issue of Shares is set out below:-

<b>Timeline</b>	<b>Events</b>
31 March 2021	<ul style="list-style-type: none"><li>• Convening of EGM</li><li>• Announcement of Entitlement Date for the Proposed Bonus Issue of Shares</li></ul>
Mid April 2021	<ul style="list-style-type: none"><li>• Entitlement Date for the Proposed Bonus Issue of Shares</li><li>• Listing and quotation for the Bonus Shares on the Main Market of Bursa Securities</li></ul>

## **9 PROPOSALS ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposed Bonus Issue of Shares (being the subject matter of this Circular), our Board is not aware of any other outstanding proposal, which has been announced but not yet completed, as at the date of this Circular.

## **10 DIRECTORS' RECOMMENDATION**

Our Board, after having considered all aspects of the Proposed Bonus Issue of Shares, which include, but are not limited to, the basis and number of Bonus Shares to be issued, the rationale and justifications, and the effects of the Proposed Bonus Issue of Shares on our Company, is of the opinion that the Proposed Bonus Issue of Shares is in the best interest of our Company. Accordingly, our Board recommends that you **vote in favour** for the resolution pertaining to the Proposed Bonus Issue of Shares to be tabled at the forthcoming EGM.

## **11 EGM**

The EGM, the notice of which is enclosed in this Circular, will be conducted 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 Wednesday, 31 March 2021, at 9:30 a.m. for the purpose of considering and, if thought fit, passing with or without modification, the resolution to give effect to the Proposed Bonus Issue of Shares.

If you are unable to attend and vote in person at the EGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein, to be lodged at the office of the Company's Share Registrar at 35th Floor, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur ("**Share Registrar Office**") not less than 48 hours before the time for holding the EGM, or at any adjournment thereof, either by hand or post to the Share Registrar Office or email to corporate@mweh.com.my. In the case where the instrument appointing a proxy is delivered by email, the original instrument appointing a proxy shall be deposited at the Share Registrar Office, either by hand or post not less than 48 hours before the time for holding the EGM, or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending, and voting in person at the EGM, should you subsequently wish to do so.

## **12 FURTHER INFORMATION**

You are advised to refer to the appendix set out in this Circular for further information.

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

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

## FURTHER INFORMATION

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by our Board, and our Directors collectively and individually accept full responsibility for the accuracy of the information contained herein 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.

**2. CONSENT**

UOB Kay Hian, being the Adviser for the Proposed Bonus Issue of Shares, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

**3. DECLARATION OF CONFLICT OF INTERESTS**

UOB Kay Hian has given its written confirmation that as at the date of this Circular, there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the Adviser to our Company for the Proposed Bonus Issue of Shares.

**4. MATERIAL COMMITMENTS**

Save as disclosed below, our Board is not aware of any material commitments incurred or known to be incurred by our Group, upon becoming enforceable, may have a material impact on the financial results/ position of our Group:-

	<b>RM'000</b>
Capital commitments approved and contracted for property, plant and equipment provided in the unaudited financial results as at 31 December 2020	7,606
	<u><u>7,606</u></u>

**5. CONTINGENT LIABILITIES**

As at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred which, upon becoming enforceable, may have a material impact on the financial results/ position of our Group.

**6. MATERIAL LITIGATION**

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware and has no knowledge of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of our Group.

## 7. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the Registered Office of Mieco at No. 1, Block C, Jalan Indah 2/6, Taman Indah, Batu 11, 43200 Cheras, Selangor Darul Ehsan during normal business hours (i.e. between 9.00 a.m. and 5.00 p.m.) from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the EGM:-

- (i) Our Constitution;
- (ii) Our audited consolidated financial statements for the past 2 financial years up to the FYE 31 December 2019 and our latest unaudited 12-month quarterly results ended 31 December 2020; and
- (iii) The letter of consent and declaration of conflict of interests referred to in **Sections 2 and 3** above, respectively.

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## **MIECO CHIPBOARD BERHAD**

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

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Extraordinary General Meeting ("**EGM**") of Mico Chipboard Berhad ("**Mico**" or the "**Company**") will be conducted 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 Wednesday, 31 March 2021, at 9:30 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolution:-

#### **ORDINARY RESOLUTION**

**PROPOSED BONUS ISSUE OF UP TO 315,000,000 NEW ORDINARY SHARES IN MIECO ("MIECO SHARE(S)" OR "SHARE(S)") ("BONUS SHARE(S)") ON THE BASIS OF 3 BONUS SHARES FOR EVERY 5 EXISTING MIECO SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE OF SHARES")**

**"THAT** subject to the approvals of all relevant authorities or parties, authority be and is hereby given to the Board of Directors of Mico ("**Board**") to issue up to 315,000,000 Bonus Shares in the share capital of the Company credited to the entitled shareholders whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board on the basis of 3 Bonus Shares for every 5 existing Mico Shares held;

**THAT** the Board be and is hereby authorised to deal with any fractional entitlements from the Proposed Bonus Issue of Shares, if any, in such a manner at its absolute discretion as the Board may deem fit and expedient and in the best interest of the Company;

**THAT** the Bonus Shares will, upon allotment and issuance, rank equally in all respects with the existing Shares. However, the Bonus Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date of such dividends, rights, allotments and/ or any other forms of distribution precedes the relevant date of allotment and issuance of the Bonus Shares;

**AND THAT** the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to and to complete the Proposed Bonus Issue of Shares with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue of Shares."

**By Order of the Board**  
**NG GEOK LIAN (LS 0007155)**  
**SSM Practicing Certificate No. 201908002080**  
Company Secretary

Cheras, Selangor.  
16 March 2021

**Notes:-**

- (1) The EGM will be conducted on a virtual basis through live streaming and online remote voting via Remote Participation and Voting facilities ("RPV") which are available on website at [www.metramanagement.com.my](http://www.metramanagement.com.my). Please follow the procedures provided in the Administrative Details of EGM in order to register, participate and vote remotely via the RPV.
- (2) The Broadcast Venue of the EGM is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairperson of the meeting to be at the main venue of the meeting. No shareholders/ proxies from the public should be physically present at the Broadcast Venue on the day of the EGM.
- (3) Members may submit questions to the Board of Directors prior to the EGM to [stephanie@mieco.com.my](mailto:stephanie@mieco.com.my) no later than 9.30 a.m. on Friday, 26 March 2021 or to use the Question and Answer platform to transmit questions to Board of Directors via RPV during live streaming.
- (4) Since the EGM will be conducted via a virtual meeting, a member entitled to attend and vote at the meeting may appoint the Chairman of the meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.
- (5) A proxy may but need not be a member of the Company and a member shall be entitled to appoint a maximum of two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholding to be represented by each proxy.
- (6) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (7) Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owner in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
- (8) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, the Form of Proxy must be executed under the corporation's seal or under the hand of an officer or attorney duly authorised.
- (9) The instrument appointing a proxy must be deposited at 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 ("**Share Registrar Office**") not less than 48 hours before the time for holding the EGM or at any adjournment thereof, either by hand or post to the Share Registrar Office or email to [corporate@mweh.com.my](mailto:corporate@mweh.com.my). In the case where the instrument appointing a proxy is delivered by email, the original instrument appointing a proxy shall also be deposited at the Share Registrar Office, either by hand or post not less than 48 hours before the time for holding the EGM or at any adjournment thereof.
- (10) For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors ("**ROD**") as at 23 March 2021 and only a Depositor whose name appears on such ROD shall be entitled to attend this meeting or appoint proxy to attend and/or vote in his/ her behalf.
- (11) Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, the resolution set out in the Notice of EGM will be put to vote on a poll.

**Personal Data Privacy** By lodging of a completed Proxy Form to the Company and the Share Registrar (as the case maybe) for appointing a proxy(ies) and/or representative(s) to attend and/or in person at the EGM and any adjournment therefore, a shareholder of the Company and the Share Registrar is hereby: i. consenting to the collection, use and disclosure of the member's personal data by the Company and to Share Registrar (as the case maybe) for the purpose of the processing and administration by the Company and the Share Registrar (as the case maybe) of proxy(ies) and representative(s) appointed for the EGM (including any adjournment thereof), and in order for the Company and the Share Registrar (as the case maybe) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively the "**Purpose**"). ii. warranting that where the member discloses the personal data of shareholder's proxy(ies) and/or representative(s) to the Company and the Share Registrar (as the case maybe), the shareholder has obtained prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company and the Share Registrar (as the case maybe) of the personal data of such proxy(ies) and/or representative(s) for the purpose ("**Warranty**"); and iii. agreeing that the member will indemnify the Company and the Share Registrar (as the case maybe) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of Warranty.

For the purpose of the paragraph, "personal data" shall have the same meaning given in section 4 of Personal Data Protection Act 2010.





**MIECO CHIPBOARD BERHAD**  
 Registration No. 197201001235 (12849-K)  
 (Incorporated in Malaysia)

# FORM OF PROXY

CDS Account No.												
				-					-			

I/ We \_\_\_\_\_ Tel No. \_\_\_\_\_  
 (FULL NAME IN BLOCK CAPITAL)

NRIC No./ Company No. \_\_\_\_\_ of \_\_\_\_\_  
 (ADDRESS)

\_\_\_\_\_ being a  
 Member

of **MIECO CHIPBOARD BERHAD**, hereby appoint \_\_\_\_\_  
 (FULL NAME IN BLOCK CAPITALS)

NRIC No. \_\_\_\_\_ of \_\_\_\_\_  
 (ADDRESS)

\_\_\_\_\_ Tel No. \_\_\_\_\_ Email address \_\_\_\_\_

or failing him \_\_\_\_\_ NRIC No. \_\_\_\_\_  
 (FULL NAME IN BLOCK CAPITAL)

of \_\_\_\_\_  
 (ADDRESS)

Tel No. \_\_\_\_\_ Email address \_\_\_\_\_ or failing him,

the **CHAIRMAN OF THE MEETING**, as my/our proxy to vote on my/our behalf at the Extraordinary General Meeting of the Company to be conducted 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 Wednesday, 31 March 2021 at 9.30 a.m., or any adjournment thereof.

RESOLUTION	FOR	AGAINST
Ordinary Resolution – To approve the Proposed Bonus Issue of Shares		

Please indicate with an "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
 Signature of Member

<b>Number of Shares Held</b>

For appointment of two (2) proxies, percentage of shareholdings to be represented by two (2) proxies		
	No. of Shares	Percentage
Proxy 1		
Proxy 2		
Total		100

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AFFIX  
STAMP

The Share Registrar  
**Metra Management Sdn Bhd**  
35th Floor, Menara Multi-Purpose  
Capital Square  
No. 8, Jalan Munshi Abdullah  
50100 Kuala Lumpur, Malaysia

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