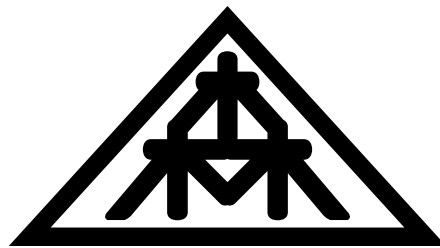


**THIS CIRCULAR/STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD
CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER
PROFESSIONAL ADVISERS IMMEDIATELY.**

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused this Circular/ Statement to Shareholders ("Circular/Statement") in respect of Part A and Part B of this Circular prior to its issuance as it is an exempt document. Bursa Securities takes no responsibility for the contents of the Circular/Statement, makes no representation as to its accuracy and 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/Statement.



SAMCHEM HOLDINGS BERHAD

Registration No. 200701039535 [797567-U]
(Incorporated in Malaysia)

PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO PROPOSED
RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED
PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

PART B

STATEMENT TO SHAREHOLDERS IN RELATION TO
THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

(COLLECTIVELY KNOWN AS "THE PROPOSALS")

The above proposals will be tabled as Special Business at our Company's Seventeenth (17th) Annual General Meeting ("17th AGM") to be held at Samchem Holdings Berhad Conference Room, Level 3, Lot 6, Jalan Sungai Kayu Ara 32/39, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan on Wednesday, 30 May 2024 at 10.30 a.m.

The Notice of the 17th AGM of our Company together with the Proxy Form are enclosed in our Company's 2023 Annual Report.

The Proxy Form should be completed and lodged at the Registered Office of the Company at Lot 6, Jalan Sungai Kayu Ara 32/39, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan not later than forty-eight (48) hours before the time and date set for the AGM or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

This Statement is dated 30 April 2024

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PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE
FOR RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE

04 DEFINITIONS

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

Act:	Companies Act 2016	Mandate Period (continued):	(b) The expiration of the period within which the next AGM after that date it is required to be held pursuant to Section 340(2) of the Act (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or (c) Revoked or varied by an ordinary resolution passed by the shareholders in a general meeting, whichever is earliest.
AGM:	Annual General Meeting	NA:	Net assets attributable to ordinary equity holders of the Company
Board:	The Board of Directors of SHB	Persons Connected:	Shall have the same meaning given in Paragraph 1.01 of the Listing Requirements
Bursa Securities:	Bursa Malaysia Securities Berhad	Proposed Renewal of Shareholders' Mandate	Proposed Renewal of Shareholders' Mandate for SHB Group to enter into RRPTs during the Mandate Period
Director(s):	The director(s) of SHB and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007	Proposal	Proposed Renewal of Shareholders' Mandate
FPE:	Financial period ended/ending, as the case may be	Related Party(ies):	A Director(s), Major Shareholder(s) and/or Persons Connected with such Director(s) or Major Shareholder(s) or Persons Connected with such Director or Major Shareholder who are interested in the Proposals. For the purpose of this definition, "Director" and "Major Shareholder" includes any person who is or was within the preceding six (6) months of the date on which the terms of transaction were agreed upon, a Director or Major Shareholder or Persons Connected with such Director or Major Shareholder of the Group.
FYE:	Financial year ended/ending, as the case may be	RM:	Ringgit Malaysia and sen respectively.
Interested Parties:	The Interested Directors and Interested Major Shareholder, collectively	RRPTs:	Related party transaction(s) which is/are recurrent, of a revenue and/or trading nature and which is/are necessary for the day-to-day operations of the SHB Group.
Listing Requirements:	Main Market Listing Requirements of Bursa Securities	SJS:	Sam Chem Sphere Joint Stock Company (Vietnam)
LPD:	29 March 2024, being the latest practicable date prior to the printing and despatch of this Circular	SHB or our Company:	Samchem Holdings Berhad
Major Shareholder(s):	A person who has an interest or interests in one (1) or more voting shares in the Company and the number or aggregate number of those shares, is: (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company This includes any person who is or was within the preceding six (6) months of the date on which the terms of the RRPTs were agreed upon, a major shareholder of SHB as defined above or any other company which is a subsidiary or holding company of SHB. For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act.	SHB Group:	SHB and our subsidiaries, collectively
Mandate Period:	The period during which the RRPTs are to be entered into for which the Proposed Shareholders' Mandate is being sought. This period shall commence immediately upon passing of the ordinary resolution for the Proposed Shareholders' Mandate during the forthcoming AGM or any adjournment thereof until: (a) The conclusion of the next AGM, unless the authority is renewed by a resolution passed at the next AGM;	SHB Share(s) or Share(s):	Ordinary share(s) in SHB
		VSPL:	Vigor Sphere Pte Ltd

Words denoting the singular shall, where applicable, include the plural and vice-versa and words denoting the masculine gender shall, where applicable, include the feminine gender, neuter gender and vice versa. Reference to persons shall include corporations.
Any reference to a time of day shall be a reference to Malaysian time, unless otherwise stated.
Any reference to any statute is a reference to that statute as for the time being amended or re-enacted and any subsequent amendment thereof.
All references to "you" and "your" in this Circular are to the shareholders of the Company.

CIRCULAR TO SHAREHOLDERS PERTAINING TO THE PROPOSAL

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BOARD OF DIRECTORS

Mr. Ng Thin Poh
Executive Chairman

Ms. Ng Ai Rene
Executive Director

Mr. Cheong Chee Yun
Executive Director

Mr. Lok Kai Chun
Independent Non-Executive Director

Dato' Razali Basri
Independent Non-Executive Director

Mr. Hor Wai Kong
Independent Non-Executive Director

REGISTERED OFFICE

Lot 6, Jalan Sungai Kayu Ara 32/39,
 Seksyen 32, 40460 Shah Alam,
 Selangor Darul Ehsan

30 April 2024

To: The Shareholders of Samchem Holdings Berhad

Dear Sir/ Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS ("RRPTs") OF A REVENUE OR TRADING NATURE

1. Introduction

On 15 April 2024, the Board announced that the Company proposed to seek shareholders' approval Proposed Renewal of Shareholders' Mandate for the RRPTs.

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

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSAL AND TO SEEK YOUR APPROVAL ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSAL TO BE TABLED AT THE FORTHCOMING AGM OR ANY ADJOURNMENT THEREOF. THE NOTICE OF THE 17TH AGM AND THE FORM OF PROXY ARE SET OUT ON THE 2023 ANNUAL REPORT.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION BY WAY OF POLL TO GIVE EFFECT TO THE PROPOSAL TO BE TABLED AT THE FORTHCOMING AGM OR ANY ADJOURNMENT THEREOF.

2. Details of the Proposal

2.1 Provisions under the Listing Requirements

Pursuant to Paragraph 10.09 of the Listing Requirements, a listed issuer may seek its shareholders' mandate in respect of transactions which are made on an arm's length basis and are necessary for its day-to-day operations subject to, amongst others, the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party 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 transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the prescribed threshold as follows:

"in relation to a listed issuer with a share capital of RM60 million and above:

- (i) the consideration, value of the assets, capital outlay or costs of the transaction is RM1 million or more; or
- (ii) the percentage ratio of such transaction is 1% or more,

whichever is the higher";

- (c) the listed issuer's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities;

2. Details of the Proposal (continued)

2.1 Provisions under the Listing Requirements (continued)

- (d) in a meeting to obtain shareholders' mandate, the interested Directors, Major Shareholders and Persons Connected with a Director or Major Shareholder, and where it involves the interest of an interested Persons Connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution approving the RRPTs. An interested Director or Major Shareholder must also ensure that Persons Connected with them abstain from voting on the resolution approving the RRPTs; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT 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 a shareholder mandate in respect of the transactions, the provisions under Paragraph 10.08 of the Listing Requirements will not apply to the transactions which are comprise in the said mandate.

2.2 SHB Group has, in the ordinary course of its business, entered into RRPTs and is anticipated to continue to enter into such transactions with the Related Parties, the details of which are set out in Section 2.6 herein. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

2.3 Accordingly, the Board proposes to seek Proposed Renewal of Shareholders' Mandate for future RRPTs to be entered into during the Mandate Period.

These RRPTs which are necessary for the day-to-day operations of SHB Group, will be based on normal commercial terms, at arms' length, and have been/will be transacted on terms that are not more favourable to the Related Parties than those generally available to the public.

2.4 Validity of the Proposed Renewal of Shareholders' Mandate

The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders of the Company at the forthcoming AGM or any adjournment thereof, will take effect from the date of the passing of the ordinary resolution at the forthcoming AGM or any adjournment thereof and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which the ordinary resolution for the Proposed Renewal of Shareholders' Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the forthcoming AGM;
- (b) the expiration of the period within 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 an ordinary resolution passed by the shareholders of the Company at a general meeting, whichever is earlier.

2.5 Principal Activities of the Group, SJS and VSPL

2.5.1 The principal activities of the Group is investment holding and the provision of management services to its subsidiaries. As at LPD, the principal activities of its subsidiaries are as follows:

Company	Effective Equity Interest (%)	Principal Activities
Samchem Sdn Bhd	100%	Distribution of polyurethane (PU), intermediate and specialty chemicals and investment holding
Samchem Industries Sdn Bhd	100%	Distribution of specialty chemicals
Eweny Chemicals Sdn Bhd	100%	Ceased operation
Samchem Lubricants Sdn Bhd	100%	Distribution of industrial lubricants
Samchem Nusajaya Sdn Bhd	100%	Distribution of intermediate and specialty chemicals, and blending of customised solvents
Samchemsphere Export Sdn Bhd	100%	Export of intermediate and specialty chemicals

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS ("RRPTs") OF A REVENUE OR TRADING NATURE

2. Details of the Proposal (continued)

2.5 Principal Activities of the Group, SJS and VSPL (continued)

2.5.1 The principal activities of the Group is Investment holding and the provision of management services to its subsidiaries. As at LPD, the principal activities of its subsidiaries are as follows: (continued)

Company	Effective Equity Interest (%)	Principal Activities
SC Terminals Sdn Bhd	100%	To undertake the business of tank terminal storage and bulk breaking facilities
Samchem Inorganic Chemicals Sdn Bhd	100%	To undertake the business of trading and distribution of chemicals
SC Udes Sdn Bhd	80%	To undertake the business of logistic services
CKJ Logistics Sdn Bhd*	100%	Bulk transportation of chemicals, gas, amonia.
Samchem Logistics Services Sdn Bhd	70%	Provision of logistics services, drumming and blending services
Samsentosa Chemicals Sdn Bhd	100%	Distribution of specialty and intermediate chemicals
Sampro Distribution Sdn Bhd	95%	Ceased operation
PT Samchem Prasandha	96.5%	Distribution of industrial chemicals
PT Samchem Kimiatama Solution#	96.5%	To undertake the business of thinner blending
Samchem (Singapore) Pte Ltd	100%	Distribution of intermediate and specialty chemicals and blending of customised solvents
Sam Chem Sphere Joint Stock Company	63.25%	Distribution of PU, intermediate and specialty chemicals

* CKJ Logistics Sdn Bhd is a wholly owned subsidiary of SC udes Sdn Bhd on 1 February 2024.

PT Samchem Kimiatama Solution is a subsidiary of PT Samchem Prasandha.

2.5.2 The principal activities of Sam Chem Sphere Joint Stock Company Group is investment holding, distribution of industrial chemicals and the provision of management services to its subsidiaries. As at LPD, the principal activities of the subsidiaries of Sam Chem Sphere Joint Stock Company are as follows:

Company	Effective Equity Interest (%)	Principal Activities
Samm Sphere (Cambodia) Company Limited	100%	Distribution of PU, intermediate and specialty chemicals
Samchemsphere Indochina (Vietnam) Company Limited	100%	Blending of PU and intermediate chemicals
Samchem Sphere (Myanmar) Company Limited	100%	Distribution of PU, intermediate and specialty chemicals
Meridian Chemicals Co, Ltd	100%	Blending and distribution of chemicals

2.5.3 VSPL is principally engaged in trading of industrial chemicals. The shareholder is Mr. Dennis Ho Chin Chye, holding 100% shareholding in VSPL.

2.6 Classes of Related Parties

Proposed Renewal of Shareholders' Mandate will apply to transactions with the following Related Party:

Related Party	Transacting Party	Relationship of Related Party with SHB Group
SJS	VSPL	Dennis Ho Chin Chye <ul style="list-style-type: none"> • General Director of SJS • Shareholder of SJS, holding 35.75% direct interest in SJS • Director and Shareholder of VSPL, he wholly-owned 100% shareholding in VSPL

SJS was incorporated on 26 December 2006, as a private limited company with an issued paid-up capital of 120 Billion Vietnam dong comprising 12,000,000 ordinary shares.

2. Details of the Proposal (continued)

2.6 Classes of Related Parties (continued)

SJS is principally engaged in Distribution of PU, intermediate and specialty chemicals. The Directors of SJS are Ng Thin Poh, Dennis Ho Chin Chye, Nguyen Thi Thu Thao, Maisarah Tang and Leong Ka Fai.

The Shareholders of SJS and their respective shareholdings are as follows:

- (a) Samchemsphere Export Sdn Bhd – 7,590,000 ordinary shares (63.25%)
- (b) Dennis Ho Chin Chye – 4,290,000 ordinary shares (35.75%)
- (c) Nguyen Thi Thu Thao – 120,000 ordinary shares (1.00%)

VSPL was incorporated on 20 July 2004, a private limited company with an issued paid-up capital of SGD 480,000 comprising 480,000 ordinary shares.

VSPL is principally engaged in trading of industrial chemicals. The Director of VSPL is Mr. Dennis Ho Chin Chye.

The shareholders of VSPL is Mr. Dennis Ho Chin Chye – 480,000 ordinary shares (100%).

2.7 Nature of the RRPTs contemplated under the Proposal

The RRPTs entered/to be entered into under the Proposal are as follows:

Nature of RRPTs	Transacting Parties	Interested Related Party	Proposed Shareholders' Mandate	
			Actual value of RRPTs transacted up to LPD (RM'000)	Estimated value of RRPTs from LPD up to the next AGM (RM'000)
Sales and purchases of chemicals ⁽ⁱ⁾	VSPL and SJS	Interested Director: Dennis Ho Chin Chye ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾ <i>General Director of SJS</i>	2,159	8,000

Note:

- i. Type of chemicals supplied are for paints, inks and leather industries
- ii. General Director of SJS with shareholding of 35.75%
- iii. Dennis Ho Chin Chye owned 100% shareholding of VSPL
- iv. All the figures provided are up to LPD

2.8 Details of Amount Due and Owing to SHB Group by the Related Party

As at the financial year ended 31 December 2023, there is no amount due and owing to the Company by its Related Party which has exceeded the credit term given as at the LPD. The payments were made within the agreed credit terms.

2.9 Review Procedures for the RRPTs

SHB had established various guidelines and procedures to ensure that the RRPTs are undertaken on an arm's length basis, on transaction prices and terms not more favourable to the Related Parties involved than those generally available to the public and not detrimental to the minority shareholders of the Company.

The Group shall review the RRPTs based on the following parameters/procedures:

- (i) The definition of related party, list of related parties and the review procedures will be circulated and/or updated within the Group;
- (ii) The review of RRPTs falls within the scope of the Audit and Risk Management Committee ("ARMC");
- (iii) Records will be maintained to record all RRPTs which are/will be entered into, which will be available for review by, among others, the auditors and ARMC, on a quarterly basis. Any member of the ARMC may as he/she deems fit, request for additional information pertaining to RRPTs from independent sources or advisers;
- (iv) The pricing, terms and conditions of the RRPTs shall be consistent with the Group's usual business practice and determined with due consideration to, amongst others, the demand and supply of the products, quality, level of service, credit terms and reliability of supply, where relevant, practical and feasible. At least two other contemporaneous transactions with unrelated third parties for similar products and/or services and/or quantities will be used as comparison, wherever available or possible, to determine whether the price and terms offered to and/or 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 and/or services and/or quantities.

In the event that quotations or comparative pricing from unrelated third parties cannot be obtained for the proposed RRPTs, the management will rely on their usual business practices and their market knowledge of prevailing industry norms bearing in mind the urgency and efficiency of services to be provided or required to ensure that the RRPTs are not detrimental to the Company and/or the Group;

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS ("RRPTs") OF A REVENUE OR TRADING NATURE

2. Details of the Proposal (continued)

2.9 Review Procedures for the RRPTs (continued)

- (v) The ARMC shall continue to review the above established procedures periodically in cases of need, with at least one review conducted on an annual basis with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate;
- (vi) Where any Director or Persons Connected to him/ her or the Board member or Audit Committee member has an interest (direct or indirect) in any RRPTs, he/ she will abstain from voting on any matter relating to any decision making by the Board or the ARMC in respect of such transactions;
- (vii) The said interested Director shall undertake that he/ she will ensure that persons connected with him/her abstain from voting on the resolution deliberating or approving the RRPTs at a general meeting;
- (viii) The limit of authority for top management to approve RRPT shall be set by the Board of Directors annually for the Group. In any event, if the RRPT in aggregate for the year exceeds RM4.0 million equivalent, the subsequent RRPTs thereafter must be referred to the Executive Chairman of the Group for approval;
- (ix) Any individual RRPT which is RM1.0 million and above or 1% of any percentage ratios whichever is higher shall be reviewed and approved by the ARMC and the Board before the transaction is entered into; and
- (x) The ARMC shall review all the RRPTs entered into by the Group generally on a yearly basis but subject to the requirement as and when necessary.

2.10 Disclosure in Annual Report

Disclosure will be made in the Company's Annual Report on the breakdown of the aggregate value of the RRPTs entered during the financial year, amongst others, based on the following information:

- (i) The types of RRPTs made; and.
- (ii) The names of the Related Parties involved in each type of the RRPT and their relationship with the Group.

2.11 Statement by Audit and Risk Management Committee

The ARMC has seen and reviewed the guidelines and procedures set out in Section 2.9 above and is of the view that there are sufficient to ensure that the RRPTs will be carried out at arm's length and on normal commercial terms which are not more favourable to the Related Parties involved than those generally available to the public and not detrimental to the interest of the Company and its minority shareholders.

The ARMC is of the view that the Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner. The ARMC shall review these procedures and processes at least once a year. This is to ensure that the RRPTs are not detrimental or prejudicial to the minority shareholders of the Company.

3. Rationale for and Benefit of the Proposal

The RRPTs entered or to be entered into from time to time by SHB Group are in their ordinary course of business. They are recurring transactions of a revenue or trading nature which provides business opportunities and increase the order book of the Group and are likely to occur with some degree of frequency and arise at any time and from time to time. These RRPTs may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval on a case-to-case basis before entering into such transactions. As such, the Company is seeking its shareholders' approval for the Proposed Shareholders' Mandate pursuant to Paragraph 10.09(2) of the Listing Requirements to allow the Group to enter or continue to enter into the RRPTs.

The Proposed Renewal of Shareholders' Mandate is to ensure continuing day-to-day operations of the Group. By obtaining the shareholders' mandate on a manual basis, this will reduce substantial administrative time and expenses associated with the convening of general meetings from time to time to seek shareholders' approval of each transaction while still maintaining the objective of keeping shareholders informed of the extent of the RRPTs occurring within the Group.

It should also be emphasized that the Related Party is not under any obligation to enter into transactions with the Group and vice versa. Ultimately, all business transactions are entered into with the intention of profiting from market situations within normal trade practices. Therefore, external market prices and conditions are important factors that determine transaction prices between the Group and the Related Party. The Related Party has been a reliable supplier and/or customer of SHB Group. The RRPTs entered into by SHB Group as detailed in Section 2.5 of this Circular will meet SHB Group's business needs at the best possible terms and is in the best interest of SHB Group.

4. Effect of the Proposal

The Proposals are not expected to have any material impact on the share capital, substantial shareholders' shareholdings, earnings, gearing and NA of the Company.

5. Approval Required

The Proposals are subject to the approval being obtained from the shareholders of the Company at the forthcoming AGM or any adjournment thereof.

6. Interests of Directors, Major Shareholders and/or Persons connected with them

Save as disclosure below, none of the other Directors, Major Shareholders or Person(s) connected with them has any interest, in the Proposed Shareholders' Mandate:

Interested Director	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Dennis Ho Chin Chye ⁽ⁱ⁾⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	—	—	—	—

Note:

i. General Director of SJS with shareholding of 35.75%

ii. Dennis Ho Chin Chye owned 100% shareholding of Vigor Sphere Pte Ltd

iii. General Director defined the same meaning, role and responsibilities as Managing Director of the Company. It is general title used to define a Managing Director in Vietnam Company

The interested Director, Mr Dennis Ho Chin Chye has abstained and will continue to abstain from all Board deliberations and voting in respect of the Proposed Renewal of Shareholders' Mandate in subsidiary level, i.e. SJS. Further, he will abstain from voting in respect of his direct and/or indirect interests on the resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM in subsidiary level, i.e. SJS. He has also undertaken to ensure that the persons connected to him, if any, will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM in subsidiary level, i.e. SJS.

7. Directors' Statement and Recommendation

The Board, having considered all aspects of the Proposals, is of the opinion that the Proposal is in the best interest of the Group.

Accordingly, the Board recommends that you vote in favour of the Ordinary Resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM or any adjournment thereof of the Company.

8. 17TH AGM

The ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate for RRPTs is set out as special business in the notice of 17th AGM contained in the 2023 Annual Report of the Company, which was sent to you together with this Circular. The 17th AGM of SHB will be held at Samchem Holdings Berhad Conference Room, Level 3, Lot 6, Jalan Sungai Kayu Ara 32/39, Seksyen 32 40460 Shah Alam, Selangor Darul Ehsan on Wednesday, 30 May 2024 at 10.30 a.m.

If you are unable to attend, participate, speak and vote in person at the 17th AGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein, to be deposited at the registered office of the Company at Lot 6, Jalan Sungai Kayu Ara 32/39, Seksyen 32 40460 Shah Alam, Selangor Darul Ehsan, not less than 48 hours before the stipulated time for holding the AGM. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking and voting in person at the AGM should you subsequently wish to do so.

9. 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

SAMCHEM HOLDINGS BERHAD

Mr. Ng Thin Poh

Executive Chairman

12 APPENDIX I

FURTHER INFORMATION

1. Directors' Responsibility Statement

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy and completeness of the information given and confirm that after making all reasonable enquiries, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading..

2. Material Litigation

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

3. Material Contracts

There are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by SHB Group within the two (2) years immediately preceding the date of this Circular.

4. Documents for Inspection

The following documents are available for inspection during normal business hours (except public holidays) at the Registered Office of the Company located at Lot 6, Jalan Sungai Kayu Ara 32/39, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan from the date of this Circular up to and including the date of the forthcoming AGM:

- (a) the Constitution of the Company;
- (b) the Audited Financial Statements of SHB for the past two (2) FYE 2021 and 2022; and
- (c) The Unaudited results of the Group and Company for the Final Quarter ended 31 December 2023.

EXTRACT OF NOTICE OF THE 17TH ANNUAL GENERAL MEETING

To consider and, it thought fit, with or without any modifications, to pass the following Ordinary Resolution:

ORDINARY RESOLUTION

(Resolution 8)

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT subject always to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant statutory and/or regulatory requirements, the Company be authorised, to the fullest extent permitted by law, to enter into and to give effect to the specified Recurrent Related Party Transactions of a revenue or trading nature with the Related Parties as set in Part A of the Circular to Shareholders dated 30 April 2024 which are necessary for its day-to-day operations, to be entered into by the Company on the basis that these transactions are entered into on transaction prices and terms which are not more favourable to the Related Parties than generally available to the public and are not detrimental to the minority shareholders of the Company;

THAT the Proposed Renewal of Shareholders' Mandate is subject to annual renewal. AND THAT any authority conferred by the Proposed Renewal of Shareholders' Mandate, shall only continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution was passed, at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (iii) revoked or varied by resolution passed by the Company in general meeting;

whichever occurs first.

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed Shareholders' Mandate."

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PART B

STATEMENT TO SHAREHOLDERS
IN RELATION TO THE PROPOSED
RENEWAL OF SHARE BUY-BACK AUTHORITY

16 DEFINITIONS

For the purpose of this Statement, except where the context otherwise requires, the following definitions shall apply:

Act:	Companies Act, 2016 as amended from time to time and any re-enactment thereof	Persons Connected (continued):	(iii) a partner of the said Person. Partner in relation to the said Person, means such person who fall within any one of the following categories:
AGM:	Annual General Meeting		(a) a person with whom the said Person, is in or proposes to enter into partnership with. "Partnership" for this purpose refers to a "partnership" as defined in Section 3 of the Partnership Act 1961 or "limited liability partnership" as defined in Section 2 of the Limited Liability Partnership Act 2012, as the case may be; or
Board:	Board of Directors of our Company		(b) a person with whom the said Person has entered or proposes to enter into joint venture, whether incorporated or not.
Bursa Depository:	Bursa Malaysia Depository Sdn Bhd		(iv) a person, or where the person is a body corporate, the body corporate or its directors who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
Bursa Securities:	Bursa Malaysia Securities Berhad		(v) a body corporate which is a related corporation of the said Person.
EPS:	Earnings per Share	Proposed Renewal:	Proposed renewal of the authority for our Company to carry out the Proposed Share Buy-Back
FYE:	Financial year(s) ended/ending	Proposed Share Buy-Back:	Proposed purchase up to ten percent (10%) of our Company's issued and paid-up share capital pursuant to Section 127 of the Act
Listing Requirements:	Main Market Listing Requirements of Bursa Securities, including any amendments from time to time thereto	Record of Depositors:	A record provided by Bursa Depository under Chapter 24 of the rules of Bursa Depository
LPD:	29 March 2024, being the latest practicable date prior to the printing of this Statement	Rules:	Rules on Take-Overs, Mergers and Compulsory Acquisitions, 2016, as amended from time to time and any re-enactment thereof
Major Shareholder(s):	A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is: <ul style="list-style-type: none"> (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company <p>For the purpose of this definition, "interest in shares" shall have the same meaning given in Section 8 of the Act.</p>	SHB or our Company:	Samchem Holdings Berhad
NA:	Net assets	SHB Group:	SHB and our subsidiaries, collectively
Persons Connected:	In relation to any person (referred to as "said Person") means such persons who falls under any one of the following categories: <ul style="list-style-type: none"> (i) a family member of the said Person. Family in relation to a person means such person who falls within any one of the following categories: <ul style="list-style-type: none"> (a) spouse; (b) parent; (c) child including an adopted child and step-child; (d) brother or sister; and (e) spouse of the person referred to in subparagraph (c) and (d) above. (ii) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary; 	SHB Share(s) or Share(s):	Ordinary share(s) in SHB

All references to "our Company" in this Statement are to SHB, and references to "our Group" are to our Company and subsidiaries collectively.

References to "we", "us", "our" and "ourselves" are to our Company, and save where the context otherwise requires, shall include our subsidiaries.

All references to "you" in this Statement are to our shareholders.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference to time of day in this Statement shall be a reference to Malaysian time, unless otherwise stated.

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

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STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY



1. Introduction

On 15 April 2024, it was announced that the Company intends to seek the approval of its shareholders for the Proposed Renewal at our forthcoming AGM.

THE PURPOSE OF THIS STATEMENT IS TO PROVIDE YOU WITH RELEVANT INFORMATION FOR THE PROPOSED RENEWAL AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL TO BE TABLED AT OUR FORTHCOMING 17TH AGM, WHICH WILL BE HELD AT LEVEL 3, LOT 6, JALAN SUNGAI KAYU ARA 32/39, SEKSYEN 32 40460 SHAH ALAM, SELANGOR DARUL EHSAN, WEDNESDAY, 30 MAY 2024 AT 10.30 A.M.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS STATEMENT BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL TO BE TABLED AT THE FORTHCOMING AGM.

2. Details of the Proposed Renewal

The Board proposes to seek the approval from the shareholders of the Company for the Company to purchase and/or hold up to 54,400,000 SHB Shares representing ten percent (10%) of the existing issued and paid-up share capital of our Company subject to compliance with Section 127 of the Act, the Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities.

The approval from the shareholders of the Company for the Proposed Renewal shall be effective immediately after the passing of the ordinary resolution to be tabled at our forthcoming AGM and will continue to be in force until:

- (i) the conclusion of our next AGM, at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which our next AGM after that date is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by our shareholders in a general meeting;

whichever occurs first.

The approval for the Proposed Renewal does not impose an obligation on our Company to purchase its own Shares. Rather, it will allow our Board to exercise the power of our Company to purchase its own Shares at any time within the abovementioned time period.

2.1 Quantum and funding

Our Board is proposing to seek a mandate from our shareholders to purchase up to ten per cent (10%) of its issued and paid-up share capital of our Company at any point in time subject to the compliance with the provisions of the Act and the requirements of Bursa Securities and/or any other relevant authorities.

For illustration purposes, the maximum number of Shares that may be purchased under the Proposed Renewal based on the existing issued and paid-up share capital as at LPD are as follows:

	No. of Shares
Issued and paid-up share capital as at LPD	544,000,000
10% of the enlarged issued and paid-up share capital	54,400,000
Maximum number of Shares that may be purchased pursuant to the Proposed Renewal	54,400,000

The purchase of the Shares by our Company from the open market on Bursa Securities will be made through a stockbroker appointed by our Company.

Shares to be purchased by the Company pursuant to the Proposed Renewal will be funded from internally generated funds and/or bank borrowings. Under the Listing Requirements, the maximum funds to be utilised for the purchase of SHB's own Shares cannot exceed the level of retained profits of the Company.

Based on the latest Audited Financial Statement of SHB as at 31 December 2023, its retained earnings stood at **RM172,626,151.00**.

Accordingly, our Directors shall allocate an amount of funds which will not be more than the total amount of the retained profits in respect of any purchase of our own Shares pursuant to the Proposed Share Buy-Back.

2. Details of the Proposed Renewal (continued)

2.1 Quantum and funding (continued)

The actual number of SHB Shares to be purchased, the total amount of funds to be utilised, details of borrowing requirements, impact on cash flows and the timing of the purchase(s) will depend on the prevailing equity market conditions and sentiments as well as the financial resources available to the Company at the time of the purchase(s). A solvency review will be conducted by the Company to ensure the Company is solvent at the date of the purchase and will not become insolvent by incurring the debts involved in the obligation to pay for the shares so purchased. In the event bank borrowings are taken to fund the purchase of SHB's own Shares pursuant to the Proposed Share Buy-Back, our Board will ensure that our Company has the capability to repay such borrowings and that such repayment will not have a material effect on our Group's cash flow.

2.2 Treatment of Shares purchased

In accordance with Section 127 of the Act, the Shares purchased may be dealt by our Board in the following manner:

- (i) cancel the Shares so purchased; or
- (ii) retain the Shares so purchased as treasury shares and held by our Company; or
- (iii) retain part of the Shares so purchased as treasury shares and cancel the remainder,

the purchased Shares held as treasury shares may be distributed as dividends to our shareholders and/or resold on the market of Bursa Securities in accordance with the relevant rules of Bursa Securities and/or subsequently cancelled.

The actual treatment of the Shares purchased would depend on, *inter-alia*, the prevailing equity market conditions and our financial position at the time of the purchase(s).

Upon each purchase of Shares, an immediate announcement will be made to Bursa Securities in respect of our Board's decision on the treatment of the Shares purchased.

2.3 Regulatory requirements

The Proposed Renewal is subject to compliance with Section 127 of the Act, the Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase.

Based on the Listing Requirements, the Proposed Share Buy-Back is subject to, *inter-alia*, the following rules:

- the public shareholding spread of twenty-five per cent (25%) of our total listed Shares (excluding treasury shares) is to be maintained at all times;
- the purchase price of our Shares on the Bursa Securities cannot be more than fifteen per cent (15%) above the weighted average market price for the Shares for the five (5) Market Days immediately before the purchase;
- an immediate announcement will be made to Bursa Securities on any purchase of our own Shares as well as any resale or cancellation of the Shares purchased; and
- if subsequently resold on Bursa Securities, we may only resell the Shares purchased 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
 - (b) a discounted price of not more than five per cent (5%) to the weighted average market price of the Shares for the five (5) Market Days immediately before the resale provided that:
 - (i) the resale takes place no earlier than thirty (30) days from the date of purchase; and
 - (ii) the resale price is not less than the cost of purchase of the Shares being resold.

2.4 Ranking of the Shares Purchased

While the Shares purchased are held as treasury shares, Section 127(8) of the Act states that the rights attached to them as to voting, dividends and participation in other distributions 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 SHB for any purposes including, without limiting the generality of Section 127(8) of the Act, the provisions of any law or requirements of the Constitution of SHB or the Listing Requirements on substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

3. Rationale and Potential Advantages of the Proposed Share Buy-Back

The Proposed Share Buy-Back if implemented is expected to potentially benefit our Company and you. The Proposed Share Buy-Back would enable our Group to utilise its surplus financial resources to purchase our own Shares when appropriate and at prices which our Board views as favourable. The Proposed Share Buy-Back may stabilise the supply and demand of the Shares and reduce the volatility of our share prices.

The Proposed Share Buy-Back would effectively reduce the number of Shares carrying voting and participation rights (unless the Shares purchased are resold on Bursa Securities or distributed as share dividends). Consequently (whether the Shares purchased are held as treasury shares or cancelled) all else being equal, the EPS of our Company may be enhanced as the earnings of SHB would be divided by a reduced number of Shares. The enhancement in EPS, if any, arising from the Proposed Share Buy-Back is expected to benefit you.

The Shares purchased can be held as treasury shares and be resold on Bursa Securities at a higher price than their cost of purchase and therefore realising a potential gain in reserves without affecting our total issued and paid-up share capital. The treasury shares may also be distributed to our shareholders as share dividends. If the treasury shares are distributed as share dividends, it will serve to reward you.

The Shares purchased may also be cancelled at such time(s) when our Board is of the view that there is excess share capital and wish to reduce the number of Shares in circulation.

4. Potential Disadvantages of the Proposed Share Buy-Back

The Proposed Share Buy-Back, if implemented, is expected to reduce financial resources of our Group. This may result in our Group foregoing better investment opportunities which may emerge in the future and/or any interest income that may be derived from other alternative uses of such funds such as deposit of funds in interest bearing instruments.

As the funds to be allocated for the Proposed Share Buy-Back must be made wholly out of our Company's retained profits, the amount available from these accounts for distribution to you may decrease accordingly.

Nevertheless, the Proposed Share Buy-Back is not expected to have any potential material disadvantages to our Group and you, as it will be implemented only after careful consideration of the financial resources of our Group and its resultant impact on you. Our Board is mindful of the interest of our Group and you and will be prudent with respect to the above exercise.

5. Effects of the Proposed Share Buy-Back

The effects of the Proposed Share Buy-Back on the share capital, NA, working capital, earnings, and shareholdings of Directors and substantial shareholders of our Company are set out below:

5.1 Share Capital

The effect of the Proposed Share Buy-Back on our issued and paid-up share capital will depend on the treatment of the Shares purchased. The Proposed Share Buy-Back will result in a reduction of the issued and paid-up share capital of our Company if the Shares purchased are cancelled.

In the event that the Proposed Share Buy-Back is carried out in full and all the Shares purchased are cancelled, the pro forma effects on the Proposed Share Buy-Back on the issued and paid-up share capital of our Company will be as follows:

	No. of Shares
Issued and paid-up share capital as at LPD	544,000,000
Less: Cancellation of Shares purchased (Assuming the shares so purchased, pursuant to the Proposed Share Buy-Back Authority, are cancelled)	^(a) (54,400,000)
Issued and paid-up share capital after the Proposed Share Buy-Back	489,600,000

Note:

(a) Being 10% of the issued and paid up share capital.

However, the Proposed Share Buy-Back will not have any effect on our issued and paid-up share capital if the Shares purchased are retained as treasury shares, resold on the open market or distributed as share dividends to our shareholders.

5. Effects of the Proposed Share Buy-Back (continued)

5.2 NA

The effects of the Proposed Share Buy-Back on our consolidated NA per share would depend on the purchase prices paid and number of Shares purchased.

The Proposed Share Buy-Back will reduce the consolidated NA per Share if the purchase price exceeds the consolidated NA per Share at the time of purchase. However, the consolidated NA per Share will increase if the purchase price is less than the consolidated NA per Share at the time of purchase.

If the Shares purchased are held as treasury shares and subsequently resold on Bursa Securities, the consolidated NA per Share upon the resale will increase if our Company realises a gain from the resale, and vice-versa. If the treasury shares are distributed as share dividends, our Group's NA will decrease by the cost of the treasury shares.

5.3 Working Capital

The Proposed Share Buy-Back, as and when implemented, is likely to reduce the working capital of our Group, the quantum of which depends on the purchase prices of the Shares purchased, the actual number of Shares purchased and any associated costs incurred in making the purchase.

For Shares purchased which are kept as treasury shares, upon their resale, the working capital and the cash flow of our Group may increase with the receipt of the proceeds of the resale. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the treasury shares and the number of treasury shares resold and any associated costs incurred in undertaking the sale.

5.4 Earnings

The effects of the Proposed Share Buy-Back on the earnings of our Group would depend on the purchase price(s) and number of Shares purchased as well as the effective funding cost to our Company to finance such purchases and/or loss in interest income to our Group if internally generated funds are utilised. The reduced issued and paid-up share capital as a consequence to the Proposed Share Buy-Back will generally, all else being equal, have a positive impact on our Group's EPS.

5.5 Directors' and Substantial Shareholders' Shareholdings

Shares purchased by our Company under the Proposed Share Buy-Back that are retained as treasury shares and/or subsequently cancelled will result in a proportionate increase in the percentage shareholdings of our directors and substantial shareholders. Please refer to Section 6 below for further details.

5.6 Shareholding Spread

The public shareholding spread of our Company according to our Record of Depositors maintained by Bursa Depository as at LPD is approximately 48.72% held by 5,200 public shareholders, each holding not less than 100 shares each.

The Board is mindful of the paragraph 12.14 of the Listing Requirements or such other percentages that Bursa Securities may stipulate, that any purchase of SHB Shares by the Company must not result in public shareholding spread of the Company falling below 25% of its issued and paid-up share capital.

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

6. Interests of the Directors, Substantial Shareholders and/or Person connected to them

Save for the consequent increase in the percentage shareholdings and/or voting rights in our Company as a result of the Proposed Share Buy-Back, none of our Directors, substantial shareholders or persons connected to them has any interest, direct or indirect, in the Proposed Share Buy-Back.

Based on our Record of Depositors maintained by Bursa Depository as at LPD and assuming the Company implements the Proposed Share Buy-Back in full and that the Shares purchased are from parties other than our Company's directors and substantial shareholders, the effect of the Proposed Share Buy-Back on the shareholdings of the Directors and substantial shareholders as at LPD are as follows:

Name of Director	As at LPD				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ng Thin Poh	—	—	249,027,608	45.78	—	—	249,027,608	50.86
Ng Ai Rene	2,556,800	0.47	—	—	2,556,800	0.52	—	—
Lok Kai Chun	29,200	0.01	—	—	29,200	0.01	—	—

Name of Substantial Shareholders	As at LPD				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ng Thin Poh	—	—	249,027,608	45.78	—	—	249,027,608	50.86
Tan Teck Beng	27,346,644	5.03	120,000 ⁽¹⁾	0.02	27,346,644	5.59	120,000 ⁽¹⁾	0.02

Note:

(1) Deemed interest by virtue of his spouse's shareholding pursuant to Section 8 of the Act.

7. Implications of the Proposed Share Buy-Back in relation to the rules

In the event the Proposed Share Buy-Back results in any major shareholder and/or persons acting in concert with him/her ("PACs") trigger the mandatory offer obligation for the remaining Shares not already held by them in our Company under Paragraph 4.01 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions, 2016 ("Rules"), the affected major shareholder and PACs may apply for an exemption to extend a mandatory offer obligation for the remaining Shares not already held by them in our Company from the Securities Commission Malaysia before the said obligation is triggered.

Further, under Paragraph 4.15 of the Rules, the affected major shareholder and/or PACs who trigger a mandatory offer obligation for the remaining shares not already held by them in our Company as a result of the Proposed Share Buy-Back will be exempted from the said obligation subject to the below conditions:

- there is no disqualifying transaction; and
- approval has been obtained from independent holders of voting shares or voting rights of our Company at a meeting of the holders of the relevant class of voting shares or voting rights to waive their rights to receive the mandatory offer from the affected major shareholder and PACs.

Any exemption will be invalidated if the affected major shareholder or PACs have engaged in a disqualifying transaction. Disqualifying transaction refers to an acquisition/a purchase of voting shares or voting rights in our Company (save for subscriptions for new shares which have been fully disclosed in the whitewash circular) before the date on which the authority of the Proposed Share Buy-Back expires, if such acquisitions, taken together with the Proposed Share Buy-Back would cause them to incur a mandatory offer obligation.

Further, it is not the intention of our Company to cause any shareholders to trigger the mandatory offer obligations under the Rules and our Company will be mindful of the above implications of the Rules in making any purchase of our own Shares pursuant to the Proposed Share Buy-Back.

8. Approval Required

The Proposed Renewal is conditional upon your approval at our forthcoming AGM.

9. Purchase, Resale and Cancellation of SHB Shares in the last Financial Year

The Company has not made any purchases of its own shares in the past twelve (12) months preceding the date of this Statement. The Company does not have any resale or cancellation of such shares held as Treasury Shares during the same period.

10. Historical Share Prices of SHB

The following table sets out the monthly highest and lowest transacted prices of the Company's shares traded on the Bursa Securities for the past twelve (12) months to LPD:

Period	2023						2024					
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Highest (RM)	0.575	0.550	0.525	0.565	0.525	0.515	0.480	0.535	0.625	0.610	0.630	0.615
Lowest (RM)	0.560	0.535	0.515	0.555	0.515	0.510	0.475	0.525	0.605	0.600	0.610	0.610

[Source: <https://finance.yahoo.com/quote/5147.KL>]

The last transacted market price of SHB Shares as at LPD prior to the announcement of the Proposed Renewal: RM0.610

The last transacted market price of SHB Shares as at LPD prior to the printing of this Statement: RM0.610

11. Directors' Statement and Recommendation

Our Board, having taken into consideration all aspects of the Proposed Renewal, is of the opinion that the Proposed Renewal is in the best interest of our Company. Accordingly, our Board recommends that you vote in favour of the ordinary resolution in respect of the Proposed Renewal to be tabled at our forthcoming AGM.

12. Further Information

Shareholders are requested to refer to Appendix I of this Statement for further information.

This Statement is dated 30 April 2024.

FURTHER INFORMATION

1. Directors' Responsibility Statement

This Statement has been seen and approved by the Board who collectively and individually accept full responsibility for the accuracy of the information given in this Statement 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. Documents available for inspection

Copies of the following are available for inspection during normal office hours (except for public holidays) at the Registered Office of the Company at Level 3, Lot 6, Jalan Sungai Kayu Ara 32/39, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan, from the date of this Statement up to and including the date of the forthcoming AGM:

- (a) The Constitution of SHB;
- (b) The Audited Consolidated Financial Statements of the SHB Group for the past two (2) years ended 31 December 2021 and 31 December 2022; and
- (c) The Unaudited results of the Group and Company for the Final Quarter ended 31 December 2023.