

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

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

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Building Communities & Beyond

### **BCB BERHAD**

(Company No.: 172003-W)  
Incorporated in Malaysia

#### **PART A**

### **CIRCULAR TO SHAREHOLDERS**

**in relation to the**

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

#### **PART B**

### **SHARE BUY-BACK STATEMENT**

**in relation to the**

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

The Ordinary Resolutions in respect of the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature and Proposed Renewal of Share Buy-Back Authority will be tabled as special businesses at BCB Berhad's Twenty-Ninth Annual General Meeting ("29th AGM") to be held at the Prime City Hotel, Venus Room, 6<sup>th</sup> Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Takzim on Thursday, 7 December 2017 at 10:30 am. Shareholders are advised to refer to the Notice of Twenty-Ninth Annual General Meeting and the Form of Proxy which are included in the Company's 2017 Annual Report despatched together with this Circular to Shareholders and Statement of Share Buy-Back. You are requested to complete the Form of Proxy and deposit it at the Registered Office of the Company at No. 4B, 2nd & 3rd Floor, Jalan Sentol, South Wing – Kluang Parade, 86000 Kluang, Johor Darul Takzim, Malaysia, on or before the time and date indicated below should you be unable to attend the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : 5 December 2017 at 10:30 am

Date and time of the 29th AGM : 7 December 2017 at 10:30 am

This Circular is dated 31 October 2017

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## DEFINITIONS

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Except where the context otherwise requires, the following words and phrases shall apply throughout this Circular :

“Act”	: Companies Act 2016 as amended from time to time and any re-enactment thereof
“AGM”	: Annual General Meeting
“BCB” or “Company”	: BCB Berhad
“BCB Group” or “the Group”	: BCB and its subsidiary companies, collectively
“Board”	: Board of Directors of BCB
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd
“Main Market LR”	: Main Market Listing Requirements of Bursa Securities
“Director(s)”	: Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Director of BCB or any other company which is its subsidiary or holding company or a chief executive officer of BCB, its subsidiary or holding company
“Major Shareholder(s)”	: A person who (which includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon) has an interest or interests in one or more voting shares in the Corporation (or any other corporation which is its subsidiary or holding company) and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is <ol style="list-style-type: none"><li>10% or more of the aggregate of the nominal amounts of all the voting shares in the Corporation; or</li><li>5% or more of the aggregate of the nominal amounts of all the voting shares in the Corporation where such person is the largest shareholder of the Corporation.</li></ol> For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act
“Persons Connected”	: Persons connected with a Director or Major Shareholder as defined in the Main Market LR
“Proposed Renewal of Shareholders’ Mandate”	: Proposed renewal of shareholders’ mandate for BCB Group to enter into RRPT as set out in Section 2.1.5 of this Circular
“Proposed Share Buy-Back”	: Purchase by the Company of its own shares in accordance with Section 127 of the Act and the requirements of Bursa Securities and/or any other relevant authority
“Proposed Renewal of Share Buy-Back Authority”	: Proposed renewal of authority to enable the Company to purchase its own shares of an amount which, when aggregated with existing treasury shares does not exceed 10% of its total issued share capital

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## DEFINITIONS (CONT'D)

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“Related Party(ies)” or “Related Transacting Party(ies)”	:	A Director, Major Shareholder or Person Connected with such Director or Major Shareholder
“Related Party Transactions”	:	A transaction entered into by the BCB Group, which involves the interests, direct or indirect of the Related Party
“Recurrent Related Transactions” or “RRPT”	Party :	Recurrent Related Party Transactions of a revenue or trading nature and which are necessary for day-to-day operations of BCB Group
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“BCB Share(s)”	:	Ordinary share(s) in BCB

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**PART A**

**CIRCULAR TO SHAREHOLDERS**

**in relation to the**

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



**BCB BERHAD**  
(Company No.: 172003-W)  
Incorporated in Malaysia

**Registered Office:**

No. 4B, 2nd & 3rd Floor  
Jalan Sentol  
South Wing – Kluang Parade  
86000 Kluang  
Johor Darul Takzim  
Malaysia

Date : 31 October 2017

**Directors:**

Ash'ari Bin Ayub  
Tan Sri Dato' Tan Seng Leong  
Tan Sri Datuk Seri Ismail Bin Yusof  
Tan Lay Hiang  
Tan Lindy  
Tan Vin Sern  
Tan Vin Shyan  
Low Kok Yung  
Abd Manap Bin Hussain

*(Chairman/Independent Non-Executive Director)*  
*(Group Managing Director)*  
*(Independent Non-Executive Director)*  
*(Executive Director)*  
*(Executive Director)*  
*(Executive Director)*  
*(Executive Director)*  
*(Executive Director)*  
*(Independent Non-Executive Director)*

**To: The Shareholders of BCB Berhad**

Dear Sir/Madam

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

**1.0 INTRODUCTION**

On 17 October 2017, BCB announced that the Company proposed to seek shareholders' approval for the Proposed Renewal of Shareholders' Mandate as set out in Section 2.1.5 of this Circular.

**The purpose of this Circular is to provide you with the relevant details of the Proposed Renewal of Shareholders' Mandate, to set out the views of your Board and to seek your approval for the resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 29th AGM of BCB as Special Business. The Notice of the 29th AGM and the Form of Proxy are enclosed together with the Annual Report of the Company for the financial year ended 30 June 2017. The extract of the Notice of the 29th AGM is enclosed together with this Circular.**

On 7 December 2016, the Company announced that the shareholders of the Company had, at the AGM held on 7 December 2016, approved the mandate for the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions with Related Parties which are of a revenue or trading nature necessary for the Group's day-to-day operations in the ordinary course of business and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders. The said shareholders' mandate shall, in accordance with the Main Market LR, expire at the conclusion of the forthcoming 29th AGM which will be held on 7 December 2017.

**SHAREHOLDERS OF BCB ARE ADVISED TO READ THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

**2.0 DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

**2.1 PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

**2.1.1 The Listing Requirements**

Under paragraph 10.09 of the Main Market LR, BCB is required to seek a mandate from its shareholders for recurrent related party transactions of a revenue and/or trading nature which are necessary for the day-to-day operations of the BCB Group subject to, *inter-alia*, the following:

- (i) 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;
- (ii) 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;
- (iii) the circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to the Bursa Securities together with a checklist showing compliance with such information;
- (iv) in a meeting to obtain the shareholders' mandate, the interested director(s), interested major shareholder(s) or interested person(s) connected with such director(s) or major shareholder(s); and where it involves the interest of an interested person(s) connected with a director or major shareholder, such director or major shareholder must not vote on the resolution to approve the transactions. An interested director or interested major shareholder must ensure that person(s) connected with him abstain from voting on the resolution approving the transactions; and
- (v) the listed issuer immediately announces to the Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the listed issuer, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular by 10% or more and must include the information as may be prescribed by the Bursa Securities in its announcement.

Transaction entered into between BCB (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiaries are excluded from the requirements of Part E of Chapter 10 of the Main Market LR.

## 2.1.2 Principal Activities Of BCB And Its Subsidiaries

The principal activities of BCB consist of investment holding, property development and hotel operations. The subsidiaries of BCB and their principal activities are as follows:

Subsidiary Companies	Effective Equity Interest	Principal Activities
Johbase Development Sdn. Bhd.	100%	Property development and letting of properties
BCB Management Sdn. Bhd.	100%	Provision of project management services
BCB Construction Sdn. Bhd.	100%	Provision of project construction services
BCB Concrete Sdn. Bhd.	100%	Manufacturing of concrete products
BCB Road Builder Sdn. Bhd.	100%	Provision of road construction services
BCB Furniture Sdn. Bhd.	100%	Furniture manufacturing
BCB Development Sdn. Bhd.	70%	Property development
BCB Resources Sdn. Bhd.	100%	Property development
BCB Land Sdn. Bhd.	100%	Property development
BCB Trading Sdn. Bhd.	100%	Trading of building materials
BCB Technologies Sdn. Bhd.	100%	Property development and letting of properties
Golden Power Construction Sdn. Bhd.	100%	Provision of landscaping services
Luna Starcity Sdn. Bhd.	100%	Property development and letting of properties
Laser Lagun Sdn. Bhd.	100%	Property development and letting of properties
Global Earnest Sdn. Bhd.	86.60%	Property development
BCB Heights Sdn. Bhd.	60%	Property development
Total Builder Generation Sdn. Bhd.	70%	Provision of project construction services
BCB Medini Development Sdn. Bhd.	75%	Property development
BCB Medini Residences Sdn. Bhd.	100%	Property development
BCB Ventures Sdn. Bhd.	75%	Property development and investment

The BCB Group has entered and is anticipated to enter into recurrent transactions of a revenue or trading nature which are necessary in the ordinary course of business, with certain Related Transacting Parties. It is likely that such transactions will occur with some degree of frequency and could arise at any time. Such Recurrent Related Party Transactions have been / will be made on terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of BCB.

Your Board therefore proposes to seek the shareholders' approval for the renewal of shareholders' mandate obtained from the shareholders of the Company at the AGM held on 7 December 2016 for BCB Group to continue to enter into the Recurrent Related Party Transactions as set out in Section 2.1.5 of this Circular.



### 2.1.3 Validity Period

The Proposed Renewal of Shareholders' Mandate if approved by the shareholders of BCB at the forthcoming 29th AGM, will take effect from the date of the said 29th AGM until:

- (i) the conclusion of the next AGM of BCB following the forthcoming 29th AGM at which the Proposed Renewal of Shareholders' Mandate is passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM;
- (ii) the expiration of the period within which the next AGM 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
- (iii) revoked or varied by resolution passed by the shareholders of BCB in a general meeting before the next AGM;

whichever is earlier.

### 2.1.4 Classes of Related Party

The Proposed Renewal of Shareholders' Mandate will apply to the following classes of Related Party :-

- (a) Directors;
- (b) Major Shareholders;
- (c) Persons Connected with the Directors or Major Shareholders.

### 2.1.5 Details of the Recurrent Related Party Transactions

Details of the Recurrent Related Party Transactions covered under the Proposed Renewal of Shareholders' Mandate are set out below:

BCB / Companies within the BCB Group	Transacting parties	Interested parties and nature of relationship	Nature of transactions	Actual value of the transactions from 7/12/2016 to 06/10/2017* RM'000	Estimated value of the transactions as previously disclosed in the Circular to Shareholders dated 28/10/2016 RM'000	Estimated value of the transactions from 7/12/2017 (date of the forthcoming 29th AGM) to the next AGM# RM' 000
BCB Construction Sdn Bhd ("BCSB")	Marvel Plus Development Sdn Bhd ("Marvel Plus")	Tan Sri Dato' Tan Seng Leong <sup>a</sup>	Provision of building construction services	3,170	20,000	20,000
		Tan Lindy <sup>b</sup> Tan Lay Hiang <sup>c</sup> Tan Vin Shyan <sup>d</sup> Puan Sri Datin Lim Sui Yong <sup>e</sup> Tan Vin Sern <sup>f</sup> Chang Shao-Yu <sup>g</sup>	Hiring of machinery	12	2,000	2,000

## 2.1.5 Details of the Recurrent Related Party Transactions (*CONT'D*)

Details of the Recurrent Related Party Transactions covered under the Proposed Renewal of Shareholders' Mandate are set out below:

BCB / Companies within the BCB Group	Transacting parties	Interested parties and nature of relationship	Nature of transactions	Actual value of the transactions from 7/12/2016 to 06/10/2017*  RM'000	Estimated value of the transactions as previously disclosed in the Circular to Shareholders dated 28/10/2016 RM'000	Estimated value of the transactions from 7/12/2017 (date of the forthcoming 29th AGM) to the next AGM# RM' 000
BCB Berhad ("BCB")	Ju-Ichi Enterprise Sdn Bhd ("Ju-Ichi")	Tan Sri Dato' Tan Seng Leong <sup>a</sup>	Provision of office rental	165 <sup>@</sup>	500	500
		Tan Lindy <sup>b</sup> Tan Lay Hiang <sup>c</sup> Tan Vin Shyan <sup>d</sup> Tan Vin Sern <sup>f</sup>	Car park maintenance for shopping complex	-	240	240
BCSB	Ju-Ichi	Tan Sri Dato' Tan Seng Leong <sup>a</sup> Tan Lindy <sup>b</sup> Tan Lay Hiang <sup>c</sup> Tan Vin Shyan <sup>d</sup> Tan Vin Sern <sup>f</sup>	Building construction services	11	15,000	15,000
BCB Resources Sdn Bhd ("BRSB")	Marvel Plus	Tan Sri Dato' Tan Seng Leong <sup>a</sup> Tan Lindy <sup>b</sup> Tan Lay Hiang <sup>c</sup> Tan Vin Shyan <sup>d</sup> Puan Sri Datin Lim Sui Yong <sup>e</sup> Tan Vin Sern <sup>f</sup> Chang Shao-Yu <sup>g</sup>	Hiring of machinery	80	1,500	1,500

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## 2.1.5 Details of the Recurrent Related Party Transactions (*CONT'D*)

Details of the Recurrent Related Party Transactions covered under the Proposed Renewal of Shareholders' Mandate are set out below:

BCB / Companies within the BCB Group	Transacting parties	Interested parties and nature of relationship	Nature of transactions	Actual value of the transactions from 7/12/2016 to 06/10/2017*  RM'000	Estimated value of the transactions as previously disclosed in the Circular to Shareholders dated 28/10/2016 RM'000	Estimated value of the transactions from 7/12/2017 (date of the forthcoming 29th AGM) to the next AGM# RM' 000
Johbase Development Sdn Bhd ("JDSB")	Marvel Plus	Tan Sri Dato' Tan Seng Leong <sup>a</sup> Tan Lindy <sup>b</sup> Tan Lay Hiang <sup>c</sup> Tan Vin Shyan <sup>d</sup> Puan Sri Datin Lim Sui Yong <sup>e</sup> Tan Vin Sern <sup>f</sup> Chang Shao-Yu <sup>g</sup>	Hiring of machinery	-	500	1,000
BCB Land Sdn Bhd ("BLSB")	Marvel Plus	Tan Sri Dato' Tan Seng Leong <sup>a</sup> Tan Lindy <sup>b</sup> Tan Lay Hiang <sup>c</sup> Tan Vin Shyan <sup>d</sup> Puan Sri Datin Lim Sui Yong <sup>e</sup> Tan Vin Sern <sup>f</sup> Chang Shao-Yu <sup>g</sup>	Hiring of machinery	-	500	1,000
BCSB	Ibzi Development (Johor) Sdn Bhd ("Ibzi")	Tan Sri Dato' Tan Seng Leong <sup>a</sup> Tan Vin Sern <sup>f</sup> Tan Vin Shyan <sup>d</sup>	Provision of building construction services	1	10,000	10,000

### Explanatory notes:

- \* Actual value transacted from 7 December 2016 (the date of the last Annual General Meeting) up to 6 October 2017, being the last practical date prior to printing of this Circular.
- # The estimated values of Recurrent Related Party Transactions from the forthcoming 29th AGM to the next AGM based on the expected value of transactions estimated by the management of BCB Group. Due to the nature of the transactions, the actual value of the transactions may vary and subject to change from the estimated values disclosed above.
- @ Rental is payable on a monthly basis and lease period is for 3 years and renewable upon expiry.

There is no deviation resulted from the Actual Value transacted which exceeded the Estimated Value of the RRPTs as disclosed in preceding year's Circular to Shareholders dated 28 October 2016.

*Nature of relationships of BCB Group with the interested related parties*

- <sup>a</sup> Tan Sri Dato' Tan Seng Leong is a Director of BCB, BCSB, BRSB, JDSB, BLSB, Ju-Ichi and Ibzi and a deemed Major Shareholder of BCB. His spouse Puan Sri Datin Lim Sui Yong and their children namely, Tan Vin Sern, Tan Lindy and Tan Vin Shyan who are the directors and Major Shareholders of Marvel Plus. Tan Sri Dato' Tan Seng Leong is also a Major Shareholder of Ju-Ichi and Ibzi.
- <sup>b</sup> Tan Lindy is a Director of BCB, BCSB, BRSB, JDSB, BLSB and Ju-Ichi. She is the daughter of Tan Sri Dato' Tan Seng Leong and Puan Sri Datin Lim Sui Yong, and sister of Tan Vin Sern and Tan Vin Shyan. She is also a director and Major Shareholder of Marvel Plus.
- <sup>c</sup> Tan Lay Hiang is a Director of BCB, BCSB, BRSB, JDSB and BLSB. She is the sister-in-law to Puan Sri Datin Lim Sui Yong, who is the director and Major Shareholder of Marvel Plus.
- <sup>d</sup> Tan Vin Shyan is a Director of BCB, BCSB, BRSB, JDSB, BLSB and Ju-Ichi. He is the son of Tan Sri Dato' Tan Seng Leong and Puan Sri Datin Lim Sui Yong, and brother of Tan Lindy and Tan Vin Sern. He is also a director and Major Shareholder of Marvel Plus and a Major Shareholder of Ibzi.
- <sup>e</sup> Puan Sri Datin Lim Sui Yong is a deemed Major Shareholder of BCB. She is also a director and Major Shareholder of Marvel Plus and a Major Shareholder of Ju-Ichi.
- <sup>f</sup> Tan Vin Sern is a Director of BCB, BCSB, BRSB, JDSB, BLSB and Ju-Ichi. He is the son of Tan Sri Dato' Tan Seng Leong and Puan Sri Datin Lim Sui Yong, and brother of Tan Lindy and Tan Vin Shyan. He is also a director and Major Shareholder of Marvel Plus and Ibzi.
- <sup>g</sup> Chang Shao-Yu is a director of Marvel Plus. He is the spouse of Tan Lindy and son-in-law of Tan Sri Dato' Tan Seng Leong and Puan Sri Datin Lim Sui Yong.

**2.1.6 Amount Due and Owing to BCB Group by Related Transacting Parties**

As at financial year ended 30 June 2017, the total amount due and owing to BCB Group which exceeded the credit term given arising from the RRPTs as per Section 2.1.5 of this Circular amounted to RM7,490,780.

A breakdown and an ageing analysis of such amount outstanding to BCB Group are as follows:-

Principal Sum # (RM'000)	Late Payment Interest # (RM'000)	Total Outstanding Amount As At 30/06/2017 (RM'000)	Ageing Analysis (RM'000)			
			≤ 1 year	> 1 year to 3 years	> 3 years to 5 years	> 5 years
7,490	-	7,490	4,652	2838	-	-

# The Group normally does not impose interest and late payment charges on trade debts in the course of its business operations. Going forward, the Group is planning repayment through debt restructuring.

Despite the outstanding amount owed by the debtors to BCB Group for a period of not more than three years, BCB Group has taken/will take the following course of action to recover the aforesaid outstanding amount:-

- (i) The Group is in contact with the debtors and foresees payment in cash or contra of the completed properties from the debtors in near future. In view that the acceptance of completed properties in settlement of debt owed by the debtors (if any) will be considered a related party transaction, BCB which ensure the compliance of Paragraph 10.08 of the Main Market LR in due course.

Based on the aforesaid course of action taken and/or to be taken by BCB, the Board is of the view that the collections shall be recovered in cash or contra of the completed properties in the near future.

#### **2.1.7 Benefits**

The services provided to the Related Transacting Parties by the BCB Group as set out in Section 2.1.5 are in the ordinary course of business, and on the Group's normal commercial terms which are no more favourable to the Related Transacting Parties than those rendered to unrelated third parties. As such, the transactions in the Proposed Renewal of Shareholders' Mandate are beneficial to the BCB Group as they represent a source of income to the BCB Group.

#### **2.1.8 Review Procedures for the Recurrent Related Party Transactions**

The BCB Group has established various procedures to ensure that the Recurrent Related Party Transactions are undertaken on an arm's length basis and on normal commercial terms that are consistent with the BCB Group's usual business practices and policies, which are not on terms that are more favourable to the Related Parties than those extended to the public and, are not to the detriment of BCB's minority shareholders.

The review procedures established by the BCB Group for Recurrent Related Party Transactions are as follows:

- (i) All companies within the Group have been informed of the definition of Related Party and the review procedures applicable to all Recurrent Related Party Transactions;
- (ii) All companies within the Group shall only enter into Recurrent Related Party Transactions after taking into account the pricing, level of service, quality of product as compared to market prices and industry standards. Any Recurrent Related Party Transaction entered into shall be treated and processed on normal commercial terms consistent with the Company's usual business practices and policies and will not be detrimental to the minority shareholders;
- (iii) The transaction prices are determined by the prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms;
- (iv) At least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. Where quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the BCB Group based on those offered by/to other unrelated parties for the same or substantially similar type of transaction to ensure that the Recurrent Related Party Transaction is not detrimental to BCB Group;
- (v) All Recurrent Related Party Transactions, which are not covered under the Proposed Renewal of Shareholders' Mandate and have a value equivalent to or more than RM1,000,000 or 1% of any percentage ratio (as defined under Paragraph 10.02 (g) of the Main Market LR), whichever is higher, shall be reviewed by the Audit Committee before the transactions are entered into;
- (vi) For other Recurrent Related Party Transactions, which are covered under the Proposed Renewal of Shareholders' Mandate, the transactions shall be reviewed by the Audit Committee on a periodic basis;

- (vii) All the Recurrent Related Party Transactions covered under the Proposed Renewal of Shareholders' Mandate within BCB Group will be reviewed and approved by the Group Managing Director, regardless of the amount;
- (viii) Any member of the Audit Committee may as he or she deems fit, request for additional information pertaining to the transactions including from independent sources or advisers;
- (ix) If a member of the Audit Committee has an interest, direct or indirect, in any particular transaction, he or she will have to abstain from any deliberation and also voting on the matter at the Audit Committee meeting in respect of such transaction;
- (x) Proper records shall be maintained to capture all Recurrent Related Party Transactions entered into pursuant to the shareholders' mandate to ensure accurate disclosure thereof. Disclosure will be made in the annual report of the breakdown of the aggregate value of the Recurrent Related Party Transactions during the financial year, amongst others, based on the following information:
  - (a) the type of Recurrent Related Party Transactions made; and
  - (b) the names of the Related Parties involved in each type of the Recurrent Related Party Transaction made and their relationship with the listed issuer;
- (xi) The annual internal audit plan shall incorporate a review of all Recurrent Related Party Transactions entered into pursuant to the shareholders' mandate to ensure that relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to;
- (xii) The Audit Committee shall review the internal audit reports to ascertain that the guidelines and the procedures established to monitor Recurrent Related Party Transactions are complied with; and
- (xiii) The Audit Committee shall have the overall responsibility of determining whether the review procedures are appropriate, with the authority to delegate such function to individuals or committee within the Company as it shall deem fit.

#### **2.1.9 Statement by Audit Committee of BCB**

The Audit Committee has seen and reviewed the procedures mentioned in Section 2.1.8 above and is of the view that:

- (i) the said procedures are sufficient to ensure that the RRPT is not more favourable to the Related Party than those generally available to the public and hence are not to the detriment of the minority shareholders; and
- (ii) BCB Group has in place adequate procedures to monitor, track and identify RRPT in a timely and orderly manner and such procedures and processes are reviewed by the Internal Auditors on a yearly basis.

### **3.0 RATIONALE FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

#### **3.1 Proposed Renewal of Shareholders' Mandate**

The Recurrent Related Party Transactions entered or to be entered into by the BCB Group are recurrent transactions of a revenue and trading nature conducted in the ordinary course of business of the Group and which are likely to occur with some degree of frequency and arise at any time and from time to time.

These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions may render it impractical to seek shareholders' approval on a case-by-case basis before entering into such Recurrent Related Party Transactions. As such, your Board is seeking the shareholders' mandate pursuant to paragraph 10.09 of the Main Market LR for the Recurrent Related Party Transactions described in Section 2.1.5 above to allow the Group to enter into such Recurrent Related Party Transactions made on an arm's length basis and on normal commercial terms and which are not to the detriment of BCB's minority shareholders.

By obtaining the approval of the Proposed Renewal of Shareholders' Mandate on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such Recurrent Related Party Transactions occur, would not arise. This will substantially avoid expenses associated with the convening of general meetings on an ad hoc basis and prevent administrative inconvenience.

#### 4.0 FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate is not expected to have any effect on the issued and paid-up share capital, consolidated earnings and consolidated net assets of BCB.

#### 5.0 CONDITION OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate is conditional upon the approval of the shareholders of BCB at the forthcoming 29th AGM.

#### 6.0 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THEM

As at 6 October 2017, the direct and indirect interests of the interested Directors, interested Major Shareholders and Persons Connected with the interested Directors and Major Shareholders of BCB are as follows:

	Direct		Indirect	
	No. of shares	%	No. of shares	%
<b>Interested Directors</b>				
Tan Sri Dato' Tan Seng Leong	-	-	231,767,400 <sup>1</sup>	57.89 <sup>1</sup>
Tan Lay Hiang	-	-	-	-
Tan Lindy	-	-	-	-
Tan Vin Sern	-	-	-	-
Tan Vin Shyan	-	-	-	-
<b>Interested Major Shareholder</b>				
Tan Sri Dato' Tan Seng Leong			231,767,400 <sup>1</sup>	57.89 <sup>1</sup>
Puan Sri Datin Lim Sui Yong			231,767,400 <sup>1</sup>	57.89 <sup>1</sup>

Notes:

1. Deemed interested by virtue of their shareholdings in Evergreen Ratio Sdn. Bhd pursuant to Section 8(4) of the Act.

Accordingly, the interested Directors namely, Tan Sri Dato' Tan Seng Leong, Tan Lindy, Tan Lay Hiang, Tan Vin Shyan and Tan Vin Sern (collectively referred to as "Interested Directors"), have abstained and will continue to abstain from all Board deliberations and voting in respect of the transactions in which they have an interest as detailed in Section 2.1.5 above. The Interested Directors will also abstain from voting in respect of their direct

and indirect shareholdings on the resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming 29th AGM.

The interested Major Shareholders namely, Tan Sri Dato' Tan Seng Leong and Puan Sri Datin Lim Sui Yong (collectively referred to as "Interested Major Shareholders"), will abstain from voting in respect of their indirect shareholdings on the ordinary resolution deliberating or approving the Proposed Renewal of Shareholders' Mandate at the forthcoming 29th AGM.

The Interested Directors and the Interested Major Shareholders of the Company have also undertaken to ensure that the Persons Connected with them will abstain from voting in respect of their direct and indirect shareholdings on the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate at the forthcoming 29th AGM.

Save as disclosed above, none of the other Directors and Major Shareholders of BCB or Persons Connected with them have any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate.

## **7.0 DIRECTORS' RECOMMENDATION**

The Directors (except for the Interested Directors) having considered all aspects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that it is in the best interest of the BCB Group and accordingly the Directors with the exception of the Interested Directors who have abstained from making any recommendation on the Proposed Renewal of Shareholders' Mandate, recommends that you vote in favour of the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 29th AGM.

## **8.0 AGM**

The 29th AGM, the notice of which is set out in the 2017 Annual Report, will be held at the **Prime City Hotel, Venus Room, 6<sup>th</sup> Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Takzim** on **Thursday, 7 December 2017** at **10.30am**, for the purpose of considering and if thought fit, passing the ordinary resolution to give effect to the Proposed Renewal of Shareholders' Mandate.

If you are unable to attend and vote in person at the 29th AGM, you should complete, sign and return the enclosed Form of Proxy in accordance with the instructions printed thereon as soon as possible so as to arrive at the registered office of the Company at **No. 4B, 2<sup>nd</sup> & 3<sup>rd</sup> Floor, Jalan Sentol, South Wing – Kluang Parade, 86000 Kluang, Johor Darul Takzim, Malaysia**, not later than 48 hours before the time fixed for the 29th AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 29th AGM should you subsequently wish to do so.

## **9.0 FURTHER INFORMATION**

Shareholders are requested to refer to the Appendix for further information.

Yours faithfully,  
For and on behalf of the Board of Directors  
**BCB BERHAD**

**Ash'ari Bin Ayub**  
Chairman / Independent Non-Executive Director



**FURTHER INFORMATION**

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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been reviewed and approved by the Directors of BCB and they individually and collectively accept full responsibility for the accuracy of the information contained herein and confirm that after having made 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 in this Circular misleading.

**2. MATERIAL CONTRACTS**

There are no material contracts (not being contracts entered into the ordinary course of business) that have been entered into by BCB and/or its subsidiaries during the 2 years immediately preceding the date of the Circular.

**3. MATERIAL LITIGATION**

BCB Group has not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, and the Directors of BCB have no knowledge of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially or adversely affect the financial position or business of the BCB Group.

**4. DOCUMENTS FOR INSPECTION**

Copies of the following documents will be made available for inspection at the Registered Office of BCB at **No. 4B, 2<sup>nd</sup> & 3<sup>rd</sup> Floor, Jalan Sentol, South Wing – Kluang Parade, 86000 Kluang, Johor Darul Takzim, Malaysia**, during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to the date of the 29th AGM:

- (i) Memorandum and Articles of Association of BCB; and
- (ii) The audited consolidated financial statements of BCB for two (2) financial years ended 30 June 2016 and 30 June 2017.

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**PART B**

**SHARE BUY-BACK STATEMENT**

**in relation to the**

**PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**



Building Communities & Beyond

**BCB BERHAD**

(Company No.: 172003-W)

Incorporated in Malaysia

**STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES IN ACCORDANCE WITH SECTION 127 OF THE COMPANIES ACT 2016 (“ACT”)**

**1. INTRODUCTION**

BCB had on 17 October 2017 announced that the Company proposed to seek from the shareholders the approval for the renewal of the authorisation at the forthcoming 29th AGM for the proposed purchase by BCB of its own shares of up to ten per cent (10%) of its issued share capital during the authorised period.

The purpose of this Statement is to provide you with the details of the Proposed Renewal of Share Buy-Back Authority, to set out the views of your Board and to seek your approval for the resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming 29th AGM of BCB as Special Business.

On 7 December 2016, the Company announced that the shareholders of the Company had, at the AGM held on 7 December 2016, approved the authorisation for the Company to purchase its own shares in accordance with Section 67A of the Companies Act, 1965. The said authorisation shall, in accordance with the Main Market LR, expires at the conclusion of the forthcoming 29th AGM which will be held on 7 December 2017.

**2. DETAILS OF THE PROPOSED SHARE BUY-BACK**

At previous AGM held on 7 December 2016, the Company had obtained approval from its shareholders to purchase up to 41,250,000 BCB Shares, which represents ten per cent (10%) of the issued and paid-up share capital of BCB then on the Bursa Securities in accordance with the provisions of the Companies Act, 1965, the Articles of Association of the Company and Main Market LR.

As at 6 October 2017, the Company has purchased 12,140,200 BCB Shares which are currently held as treasury shares.

As the authority for the Company to purchase its own shares will expire at the conclusion of the forthcoming 29th AGM of the Company on 7 December 2017, the Company wishes to seek a renewal of mandate from the shareholders at 29th AGM for the Company to purchase such number of BCB Shares which, when aggregated with the BCB Shares already purchased and/or retained as treasury shares, amounts to not more than ten per cent (10%) of the existing issued share capital of BCB.

Currently, as at 6 October 2017, the existing issued and paid-up share capital of BCB is RM206,250,000 comprising 412,500,000 BCB Shares, including 12,140,200 treasury shares held. As such, if approved, the Proposed Renewal of Share Buy-Back Authority would authorise the Company to purchase up to 29,109,800 BCB Shares, which when aggregated with the BCB Shares already purchased, would result in 41,250,000 BCB Shares or ten per cent (10%) of BCB's issued share capital being purchased.

The Proposed Share Buy-Back will be carried out on the Bursa Securities through an appointed stockbroker.

### **3. FUNDING FOR THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back will be financed through internally generated funds and/or borrowings. The audited retained earnings of the Company as at 30 June 2017 is RM98,902,356. The maximum funding for the purchase of the Company's own shares must not exceed the level of retained earnings of the Company.

In the event the Company decides to utilise bank borrowings to finance the Proposed Share Buy-Back, it will ensure that it has sufficient financial capability to repay the bank borrowing and related interest expense. The bank borrowings will not have a material impact on the cash flows or earnings of the Company.

The actual number of BCB Shares to be purchased, the total amount of funds involved for each purchase and timing of the purchase(s) will depend on, inter-alia, the market conditions and sentiments of the stock market as well as the availability of the financial resources of the BCB Group at the time of the purchase(s).

The Proposed Share Buy-Back will reduce the cash of the BCB Group by an amount dependent on the purchase price of BCB Shares and the actual number of BCB Shares bought back.

### **4. RATIONALE, POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back is likely to benefit BCB and its shareholders in the following manner:

- If necessary in future, BCB may be able to stabilise the supply and demand of BCB Shares in the open market, thereby supporting the fundamental values of BCB Shares;
- If BCB Shares purchased by BCB are cancelled, shareholders may enjoy an increase in the value of their investment in BCB due to the increase in its earnings per share as a result of the reduction in its issued capital, all things being equal; and
- The purchased shares may be held as treasury shares and resold in the open market to reap the potential capital appreciation of the shares without affecting the total issued share capital of BCB. BCB may also utilise the treasury shares as future dividend payout to BCB shareholders, which would serve to reward the shareholders of the Company.

The disadvantages of the Proposed Share Buy-Back are as follows:

- The Proposed Share Buy-Back, if implemented, would reduce the financial resources of the Group. This may result in the Group foregoing future investment opportunities and/or any income that may be derived from alternative uses of such funds;
- The Proposed Share Buy-Back may also reduce the amount of resources available for the payment of cash dividends to shareholders of BCB. However, the financial resources of the Group may increase pursuant to the resale of the purchased shares held as treasury shares at prices higher than the purchase price; and
- The Proposed Share Buy-Back will reduce BCB's cashflow, which may otherwise be used as working capital to generate future profits.

Nevertheless, the Board will be mindful of the interest of BCB and its shareholders in undertaking the Proposed Share Buy-Back and the subsequent resale of treasury shares on Bursa Securities.

## **5. EFFECT OF THE PROPOSED SHARE BUY-BACK**

The effects of the Proposed Share Buy-Back are summarised below.

### **5.1 Share Capital**

Assuming the Proposed Share Buy-Back is implemented in full and all the purchased shares are subsequently cancelled, the effects on the issued share capital of the Company will be as follows:

	No. of Shares
Issued share capital as at 6 October 2017 (including 12,140,200 treasury shares held)	412,500,000
Less: Maximum number of shares that may be purchased pursuant to the Proposed Share Buy-Back	(41,250,000)
Issued share capital after the Proposed Share Buy-Back	<hr/> 371,250,000 <hr/>

If the BCB Shares so purchased are retained as treasury shares, the issued share capital of BCB will not be reduced but the rights attaching to the treasury shares in relation to voting, dividends and participation in other distributions or otherwise will be suspended. While these BCB Shares remain as treasury shares, the Act prohibits the taking into account of such shares in calculating the number of percentage of shares or a class of shares in BCB for any purpose whatsoever including major shareholdings, takeovers, notices, requisitioning of meetings, quorum for meetings and the results of votes on resolutions.

### **5.2 Net Assets (“NA”)**

The effect of the Proposed Share Buy-Back on the NA per share of the BCB Group is dependent on the purchase price(s) of the BCB Shares. If the purchase price is less than the audited NA per share of the Group at the time of purchase, the NA per share will increase. Conversely, if the purchase price exceeds the audited NA per share of the Group at the time of purchase, the NA per share will decrease.

### **5.3 Earnings**

The effect of the Proposed Share Buy-Back on the earnings of the BCB Group would depend on the purchase price(s) and the number of shares purchased. The effective reduction in the issued share capital of the Company pursuant to the Proposed Share Buy-Back may generally, all else being equal, have a positive impact on the consolidated earnings per share of the Company if the return on equity is higher than the cost of funds from the Proposed Share Buy-Back.

### **5.4 Working Capital**

The Proposed Share Buy-Back will reduce the working capital of the BCB Group. The quantum of the reduction of the working capital of the BCB Group would depend on the purchase price(s) and number of shares purchased.

### **5.5 Dividend**

The Proposed Share Buy-Back is not expected to have any material impact on the Board’s policy in recommending dividends to shareholders of BCB. The Board may have the option to distribute future dividends in the form of the treasury shares purchased pursuant to the Proposed Share Buy-Back.

## 6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The effect of the Proposed Share Buy-Back on the shareholdings of the Directors and substantial shareholders of BCB based on their shareholdings as at 6 October 2017 assuming the Proposed Share Buy-Back is carried out in full is as follows:

### *Directors*

Name	Existing as at 6 October 2017 (after taking into account shares purchased and held as treasury shares)				After Proposed Share Buy-Back (on assumption of buy-back of up to 10%)			
	< -----Direct----- >		< -----Indirect----- >		< -----Direct----- >		< -----Indirect----- >	
	No. of shares held	% <sup>^</sup> held	No. of shares held	% <sup>^</sup> held	No. of shares held	% <sup>^</sup> held	No. of shares held	% <sup>^</sup> held
Tan Sri Dato' Tan Seng Leong	-	-	231,767,400 <sup>(i)</sup>	57.89	-	-	231,767,400 <sup>(i)</sup>	62.43
Ash'ari bin Ayub	-	-	-	-	-	-	-	-
Tan Sri Datuk Seri Ismail bin Yusof	-	-	-	-	-	-	-	-
Tan Vin Shyan	-	-	-	-	-	-	-	-
Tan Lay Hiang	-	-	-	-	-	-	-	-
Tan Lindy	-	-	-	-	-	-	-	-
Tan Vin Sern	-	-	-	-	-	-	-	-
Abd Manap Bin Hussain	-	-	-	-	-	-	-	-
Low Kok Yung	6,000	0.00	-	-	6,000	0.00	-	-

### *Notes:-*

(i) Deemed interested by virtue of his shareholdings in Evergreen Ratio Sdn. Bhd. pursuant to Section 8(4) of the Act.

<sup>^</sup> Pursuant to Section 127(8) of the Act, while shares are held as treasury shares, the rights attached to them as to voting, dividends and participation in other distribution and otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares, amongst others, in the company on substantial shareholding and the result of a vote on a resolution at a meeting.

### Substantial Shareholders

	Existing as at 6 October 2017 (after taking into account shares purchased and held as treasury shares)				After Proposed Share Buy-Back (on assumption of buy-back of up to 10%)			
	< -----Direct----->		< -----Indirect----- >		< -----Direct----->		< -----Indirect----- >	
Name	No. of shares held	% <sup>^</sup> held	No. of shares held	% <sup>^</sup> held	No. of shares held	% <sup>^</sup> held	No. of shares held	% <sup>^</sup> held
Evergreen Ratio Sdn. Bhd.	231,767,400	57.89	-	-	231,767,400	62.43	-	-
Tan Sri Dato' Tan Seng Leong	-	-	231,767,400 <sup>(i)</sup>	57.89	-	-	231,767,400 <sup>(i)</sup>	62.43
Puan Sri Datin Lim Sui Yong	-	-	231,767,400 <sup>(i)</sup>	57.89	-	-	231,767,400 <sup>(i)</sup>	62.43
Effective Strategy Sdn Bhd	38,609,000	9.64	-	-	38,609,000	10.40	-	-
Chan Toong Kit	-	-	38,609,000 <sup>(ii)</sup>	9.64	-	-	38,609,000 <sup>(ii)</sup>	10.40
Chong Shiung Foh	-	-	38,609,000 <sup>(ii)</sup>	9.64	-	-	38,609,000 <sup>(ii)</sup>	10.40

### Notes:-

(i) Deemed interested by virtue of thier shareholdings in Evergreen Ratio Sdn. Bhd pursuant to Section 8(4) of the Act .

(ii) Deemed interested by virtue of theirshareholdings in Effective Strategy Sdn Bhd. pursuant to Section8(4) of the Act.

<sup>^</sup> Pursuant to Section 127(8) of the Act, while shares are held as treasury shares, the rights attached to them as to voting, dividends and participation in other distribution and otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares, amongst others, in the company on substantial shareholding and the result of a vote on a resolution at a meeting.

**7. PURCHASE OF SHARES**

Please refer to Note 14 of the Notes to the Financial Statements section on page 75 of the 2017 Annual Report on the details of the Company's purchase of its own shares during the financial year ended 30 June 2017.

**8. PUBLIC SHAREHOLDING SPREAD**

Based on the record of depositors maintained by the Bursa Depository and the register of substantial shareholders of the Company, the public shareholding spread of BCB as at 6 October 2017 is 32.47%. In the event that the Proposed Share Buy-Back be carried out in full and all the BCB Shares are purchased from public shareholders, the public shareholding spread of BCB will be reduced from 32.47% to 27.17%.

**9. IMPLICATIONS RELATING TO THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS 2016 ("CODE")**

Pursuant to Part II of the Code, in the event that any of our shareholders, together with parties acting in concert with them (if any) who collectively hold:-

- a) less than 33% of the Company's issued and paid up share capital, increase their shareholdings to more than 33%; or
- b) more than 33% but less than 50% of the Company's issued and paid up share capital, increase his/her shareholding by 2% within a 6 month period,

the affected shareholder and parties acting in concert with him/her would be obliged to undertake a mandatory offer for the remaining Shares not held by them.

Based on the Register of Substantial Shareholders of the Company as at 6 October 2017, there should be no implication with regard to the Code on the Company and its Substantial Shareholders arising from the Proposed Share Buy-Back even in the event that the Proposed Share Buy-Back is implemented in full.

**10. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS**

Save for the proportionate increase in percentage of shareholdings and/or voting rights of shareholders of the company as a result of the Proposed Renewal of Share Buy-Back Authority, none of the Directors and substantial shareholders or Persons Connected with them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority.

**11. DIRECTORS' STATEMENT AND RECOMMENDATION**

The Directors are of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company. Accordingly, they recommend that you vote in favour of the resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 29th AGM of the Company.

This Share Buy-Back Statement is dated 31 October 2017.





## **BCB BERHAD**

(Company No.: 172003-W)  
Incorporated in Malaysia

### **EXTRACT OF THE NOTICE OF 29th ANNUAL GENERAL MEETING**

#### **AGENDA 10**

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

“THAT subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties (“Recurrent Related Party Transactions”) as set out in Section 2.1.5 of the Circular to the Shareholders dated 31 October 2017 (“the Circular”) which are necessary for the day-to-day operations and carried out in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

THAT such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at the said AGM;
- (b) the expiration of the period within which the next AGM of the Company 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
- (c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the Recurrent Related Party Transactions contemplated and/or authorised by this Ordinary Resolution;

AND THAT, the estimates given of the Recurrent Related Party Transactions specified in Section 2.1.5 of the Circular being provisional in nature, the Directors and/or any of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the procedures set out in Section 2.1.8 of the Circular.”

## **AGENDA 11**

### **PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK**

“THAT subject always to compliance with the Companies Act 2016 (“Act”), the Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) or any other regulatory authorities and all other applicable rules, regulations, guidelines or approval for the time being in force or as may be amended from time to time, the Directors be and are hereby authorised to make purchases of ordinary shares in the Company’s issued share capital as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

- (i) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten per centum (10%) of the total issued share capital of the Company for the time being;
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings of the Company at the time of the said purchase(s); and
- (iii) the authority conferred by this resolution shall commence immediately upon the passing of this ordinary resolution and shall continue to be in force until:
  - (a) 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 it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
  - (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
  - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier;

AND THAT upon completion of the purchase by the Company of its own shares, the Directors be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manner:

- (i) cancel all the shares so purchased; and/or
- (ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders or resell on the market of Bursa Securities; and/or
- (iii) retain part thereof as treasury shares and cancel the remainder;

and in any other manner as prescribed by the Act, rules and regulations made pursuant to the Act and the Main Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force;

AND THAT authority be and is hereby given to the Directors and/or anyone of them to complete and do all such acts and things as they may consider necessary or expedient in the best interest of the Company, including executing all such documents as may be required or necessary and with full powers to assent to any modifications, variations and/or amendments as the Directors in their discretion deem fit and expedient to give effect to the aforesaid purchase(s) contemplated and/or authorised by this Ordinary Resolution.”