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MESTRON HOLDINGS BERHAD

Registration No. 201801018716 (1280732-K)
(Incorporated in Malaysia)

STATEMENT TO SHAREHOLDERS IN RELATION TO

PROPOSED AUTHORITY FOR THE COMPANY TO UNDERTAKE A SHARE BUY-BACK OF UP TO TEN PERCENT (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES ("PROPOSED SHARE BUY-BACK")

The above proposal will be tabled as Special Business at the Fifth (5th) Annual General Meeting ("AGM") of Mestron Holdings Berhad ("**Mestron**" or "**the Company**") to be held at The Heron, Level 2, Four Points by Sheraton Puchong, 1201, Tower 3, Puchong Financial Corporate Centre, Jalan Puteri ½, Bandar Puteri, 47100 Puchong, Selangor Darul Ehsan, Malaysia on Thursday, 15 June 2023 at 2:00 p.m. or at any adjournment thereof. The Notice of 5th AGM together with the Form of Proxy are enclosed together with the Annual Report of the Company for the financial year ended 31 December 2022.

A member entitled to attend and vote at the AGM is entitled to appoint a proxy or proxies to attend, participate, speak and to vote on his behalf. In such event, the Form of Proxy should be completed and returned in accordance with the instructions therein as soon as possible and should be deposited at the Share Registrar of the Company at Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur not less than 48 hours before the time stipulated for holding the meeting or any adjournment thereof. The completion and return of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy : Tuesday, 13 June 2023 at 2:00 p.m.

Date and time of 5th AGM : Thursday, 15 June 2023 at 2:00 p.m.

This Statement is dated 28 April 2023

DEFINITIONS

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

“Act”	: The Companies Act 2016
“AGM”	: Annual General Meeting
“Board”	: The Board of Directors of Mestron
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“CDS”	: Central Depository System
“Code”	: Malaysia Code on Take-overs and Mergers 2016, including any amendments thereto that may be made from time to time
“Constitution”	: Constitution of Mestron
“Director”	: Members of the Board and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007
“EPS”	: Earnings per Share
“FYE”	: Financial year ended/ending, as the case may be
“Listing Requirements”	: ACE Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time
“LPD”	: 11 April 2023 being the latest practicable date prior to the printing of this Circular
“Major Shareholder(s)”	<p>: Means a person who has an interest or interests in one or more voting shares in a company and the number or aggregate number of those shares, is:</p> <p>(a) 10% or more of the total number of voting shares in the Company; or</p> <p>(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> <p>For the purpose of this definition, “interest in shares” has the meaning given in Section 8 of the Act and for the purpose of the Proposed Share Buy-Back, 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, such major shareholder of the company or any other company which is its subsidiary or holding company</p>
“Market Day”	: A day which Bursa Securities is open for the trading of securities, which may include a surprise holiday
“Mestron” or “the Company”	: Mestron Holdings Berhad [Registration No. 201801018716 (1280732-K)]
“Mestron Group” or “the Group”	: Mestron and its subsidiaries
“Mestron Share(s)” or “Shares”	: Ordinary shares in Mestron
“NA”	: Net assets attributable to ordinary equity holders of Mestron

DEFINITIONS (CON'T)

“Proposed Share Buy-Back”	: Proposed Authority for the Company to undertake a share buy-back of up to ten percent (10%) of its total number of issued shares
“Purchased Shares”	: Shares purchase by Mestron pursuant to the Proposed Share Buy-Back
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“SC”	: Securities Commission Malaysia
“Shareholders”	: Shareholders of Mestron
“Statement”	: Statement in relation to the Proposed Share Buy-Back
“Substantial Shareholder(s)”	: A person who has interest or interests in one or more voting shares in the Company and the number or the aggregate number of such shares, is not less than 5% of the total number of all the voting shares in the Company

All references to “we”, “us”, “our” and “ourselves” are to the Company, and save where the context otherwise requires, the consolidated subsidiary.

All references to “you” in this Statement are to the Shareholders of the Company.

Any reference in this Statement to any statutes, rules, regulations or rules of the stock exchange is a reference to such statutes, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified. Any reference in this Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Statement shall be a reference to Malaysian time, unless otherwise specified.

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MESTRON HOLDINGS BERHAD
Registration No. 201801018716 (1280732-K)
(Incorporated in Malaysia)

Registered Office
B-21-1, Level 21, Tower B,
Northpoint Mid Valley City, No. 1,
Medan Syed Putra Utara,
59200 Kuala Lumpur,
W.P. Kuala Lumpur.

28 April 2023

Board of Directors: -

En. Tajul Arifin Bin Mohd Tahir	<i>(Independent Non-Executive Chairman)</i>
Mr. Por Teong Eng	<i>(Managing Director)</i>
Mr. Loon Chin Seng	<i>(Executive Director)</i>
Mr. Leong Peng Phooi	<i>(Independent Non-Executive Director)</i>
Datuk Ir. Mohd Dom Bin Ahmad	<i>(Independent Non-Executive Director)</i>
Mr. Ng Kim Cheong	<i>(Independent Non-Executive Director)</i>
Dato' Low Chin Koon	<i>(Independent Non-Executive Director)</i>
Ms. Mah Ying Ying	<i>(Independent Non-Executive Director)</i>

To: The Shareholders of Mestron

Dear Sir/Madam,

PROPOSED SHARE BUY-BACK

1. INTRODUCTION

On 12 April 2023, the Board announced the Company's intention to seek the Shareholders' approval for the Proposed Share Buy-Back.

The purpose of this Statement is to provide the Shareholders with the relevant information on the Proposed Share Buy-Back and to set out the view and recommendation of the Board as well as to seek the approval from the Shareholders for the resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming AGM of the Company, to be held at The Heron, Level 2, Four Points by Sheraton Puchong, 1201, Tower 3, Puchong Financial Corporate Centre, Jalan Puteri ½, Bandar Puteri, 47100 Puchong, Selangor Darul Ehsan, Malaysia on Thursday, 15 June 2023 at 2:00 p.m. or at any adjournment thereof. The notice of the AGM together with the Form of Proxy are enclosed in the Annual Report of the Company for the financial year ended 31 December 2022.

SHAREHOLDERS OF MESTRON ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS STATEMENT TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK TO BE TABLED AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

2.1 Quantum

The Board is proposing to seek and obtain the Company's mandate for Mestron to purchase its own Shares of up to ten percent (10%) of the total number of issued Shares of the Company which are listed on Bursa Securities through its appointed stockbroker(s) at any point of time subject to compliance with Section 113(5) and 127 of the Act, the Listing Requirements and any Prevailing Laws at the time of purchases.

As at LPD, the Company's issued share capital is RM97,971,921.50 comprising 980,910,900 shares and 402,989,100 outstanding Warrants.

Based on the above, the maximum number of Shares that may be purchased is as follows:

	Minimum Scenario	Maximum Scenario
	No. of Shares	No. of Shares
Total number of issued shares as at LPD	980,910,900	980,910,900
Assuming all the outstanding Warrants are exercised ⁽¹⁾	-	402,989,100
	<u>980,910,900</u>	<u>1,383,900,000</u>
Maximum number of shares that may be purchased	98,091,090	138,390,000

Notes:

(1) Assuming all the outstanding 402,989,100 Warrants are fully exercised into 402,989,100 new Shares at the exercise price of RM0.285.

2.2 Duration of the Proposed Share Buy-Back

The Proposed Share Buy-Back, if approved by the shareholders of Mestron at the forthcoming AGM, shall be effective immediately from the date of the passing of its ordinary resolution for the Proposed Share Buy-Back and shall remain in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed, at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in the general meeting;

whichever occurs first.

The Proposed Share Buy-Back does not impose an obligation on the Company to purchase its own Shares. Rather, it will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period.

2.3 Source of Funds

The Proposed Share Buy-Back will be funded through internally generated funds and/or external borrowings. The maximum amount of funds to be allocated by the Company for purchasing the Shares pursuant to the Proposed Share Buy-Back will be subject to the Company's retained profits. The Company's latest audited retained profits as at 31 December 2022 was RM 50,325,682.00.

If funded through internally generated funds, the purchase of the Shares pursuant to the Proposed Share Buy-Back is not expected to have a material impact on the Company's cash flow. In addition, if the purchase of the Shares pursuant to the Proposed Share Buy-Back is to be financed by bank borrowings, the Company shall ensure that its repayment

capabilities and such repayment will not have a material effect on the Company's cash flow.

2.4 Treatment of Purchased Shares

Pursuant to Section 127(4) of the Act, where the Company has purchased the Shares, the Board may, at their discretion, resolve the following:

- (i) to cancel the Purchased Shares;
- (ii) to retain the Purchased Shares in treasury which is referred to as "treasury shares" in the Act; or
- (iii) to retain part of the Purchased Shares as treasury shares and cancel the remainder of the Shares.

Pursuant to Section 127(7) of the Act, where such Purchased Shares are held as treasury shares, the Board may, at their discretion: -

- (i) distribute the Purchased Shares as dividends to Mestron shareholders, such dividends to be known as "share dividends";
- (ii) resell the Purchased Shares or any of the Purchased Shares in accordance with the relevant rules of Bursa Securities;
- (iii) transfer the Purchased Shares or any of the Purchased Shares for the purpose of or under an employees' share scheme which the Company may establish in the future;
- (iv) transfer the Purchased Shares or any of the Purchased Shares as purchase consideration;
- (v) cancel the Purchased Shares or any of the Purchased Shares; or
- (vi) sell, transfer or otherwise use the Purchased Shares for such other purposes as the Minister may by order prescribe.

As at the date of this Statement, the Board has yet to make any decision with regard to the treatment of the Purchased Shares and will take into consideration the effects of such treatment on the Group in arriving at its decision. An immediate announcement will be made to Bursa Securities upon each purchase, cancellation and/or resale of Shares pursuant to the Proposed Share Buy-Back.

In the event that the Purchased Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in any other distribution or otherwise would be suspended. The treasury shares shall not be taken into account in calculating the number or percentage of Shares or of a class of Shares in the Company for any purposes including the determination of substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for meetings and the result of votes on the resolution at a meeting.

2.5 Purchase/Resale/Transfer Price

Pursuant to the Listing Requirements, the Company may only purchase Mestron Shares at a price which is not more than fifteen percent (15%) above the weighted average share price for the five (5) Market Days immediately preceding the date of the purchase(s). Mestron may only resell the Purchased Mestron Shares held as treasury shares at a price which is:-

- a) not less than the weighted average share price of Mestron Shares for the five (5) Market Days immediately prior to the date of resale or transfer; or
- b) at a discount of not more than five per centum (5%) to the weighted average share price of Mestron Shares for the five (5) Market Days immediately prior to the date of resale or transfer provided that:

- (i) the resale or transfer takes place no earlier than thirty (30) days from the date of purchase; and
- (ii) the resale or transfer price is not less than the cost of purchase of the Mestron Shares being resold or transferred.

2.6 Public Shareholding Spread

Pursuant to Rule 8.02(1) of the Listing Requirements, a listed corporation must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders ("**Required Public Shareholding Spread**").

Based on the Record of Depositors of the Company as at LPD, the public shareholding spread of the Company was 53.023% of the total number of issued Shares. The Board will endeavor to ensure that the Company complies with the public spread requirements and shall not buy back the Company's own shares if the purchase would result in the public spread requirements not being met.

2.7 Implication Relating to the Rules

Pursuant to the Rule 4 of the Code, a person and any parties acting in concert with him will be required to make a mandatory offer for the remaining Mestron Shares not already owned by him/her/them if his/her/their stake in the Company is increased to beyond 33.0% or if his/her/their shareholdings is between 33.0% and 50.0% and increases by another 2.0% in any six (6) months period.

However, an exemption from mandatory offer obligation may be granted by the SC under the Code subject to the parties acting in concern complying with the conditions stipulated in the Code.

As the Board has no intention for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory general offer under the Code by any of its major substantial shareholders and/or parties acting in connect with them, the Board will ensure that only such number of ordinary shares are purchased, retained as treasury share, cancelled or distributed such that the Code will not be triggered. In this respect, the Board will be mindful of the requirements of the Code when implementing the Proposed Share Buy-Back.

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The implementation of the Proposed Share Buy-Back is envisaged to benefit the Company and its Shareholders as follows:

- (i) the Company is able to utilise its surplus financial resources more efficiently. If implemented, this may help to stabilise the supply and demand of the Mestron Shares traded on Bursa Securities and thereby support its fundamental value;
- (ii) the EPS of Mestron Shares and the return on equity of the Company is expected to improve as a result of a reduced share capital base;
- (iii) the Purchased Mestron Shares retained as treasury shares provide the Board with an option to resell the treasury shares at a higher price and generate capital gains for the Company;
- (iv) the Purchased Shares retained as treasury shares can be distributed as share dividends to the Shareholders as a reward; and
- (v) the financial resources of the Company will increase if the Purchased Shares held as treasury shares are resold at prices higher than the purchase price.

4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

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

- a) The Proposed Share Buy-Back would enable the Company to utilise its financial resources more efficiently especially where there is no immediate use and it may strengthen the consolidated EPS of the Group.
- b) The Proposed Share Buy-Back will also provide the Company with opportunities for potential gains if the Purchased Shares which are retained as treasury shares are resold at prices higher than their cost of purchase.
- c) In any event, the treasury shares may also be distributed as share dividends to the S as a reward.
- d) The Proposed Share Buy-Back may also stabilise the supply and demand of Mestron Shares traded on Bursa Securities and reduce the volatility of the share prices. The stability of Mestron Shares price is important to maintain investors' confidence and may also assist in facilitating future fund raising via the equity market.

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

- a) The Proposed Share Buy-Back if implemented is expected to temporarily reduce the immediate financial resources of Mestron Group.
- b) The Proposed Share Buy-Back may also result in the Group foregoing better investment opportunities which may emerge in the future and/or any income that may be derived from other alternative uses of such funds such as deposit in interest bearing instruments.
- c) The Proposed Share Buy-Back may also reduce the amount of resources available for distribution to the shareholders of the Company in the form of dividends as funds are utilised to purchase its own Shares.

Nevertheless, the Proposed Share Buy-Back is not expected to have any potential material disadvantages to the Company and its Shareholders, as it will be implemented only after careful consideration of the financial resources of the Group and its resultant impact. The Board is mindful of the interest of the Company and the Shareholders 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 share capital, NA, working capital, earnings and shareholdings of Directors and Substantial Shareholders of the Company are set out below:

5.1 Issued Share Capital

The maximum number of ordinary shares the Company may purchase shall not exceed 10% of the Company's total number of issued Shares.

As at LPD, the Company's issued share capital is RM97,971,921.50 comprising 980,910,900 shares and 402,989,100 outstanding Warrants.

Assuming the Proposed Share Buy-Back is approved and the Purchased Shares are fully cancelled, the effects of the Proposed Share Buy-Back on the Company's total number of issued Shares are as follows:

	Minimum Scenario No. of Shares	Maximum Scenario No. of Shares
Total number of issued shares as at LPD	980,910,900	980,910,900
Assuming all the outstanding Warrants are exercised ⁽¹⁾	-	402,989,100
	980,910,900	1,383,900,000
Assuming all Purchased Shares are to be cancelled pursuant to the Proposed Share Buy-Back	(98,091,090)	(138,390,000)
Resultant issued share capital	882,819,810	1,245,510,000

Notes:

⁽¹⁾ Assuming all the outstanding 402,989,100 Warrants are fully exercised into 402,989,100 new Shares at the exercise price of RM0.285.

The effect of the Proposed Share Buy-Back on the Company's issued share capital and the total number of issued Shares will depend on whether the Purchased Shares are retained as treasury shares or cancelled.

If the Purchased Shares are retained as treasury shares, the Proposed Share Buy-Back will not affect the Company's issued share capital but the rights attaching to them as to voting, dividends and participation in other distributions or otherwise, of the Company's assets including any distribution of assets upon winding up of the Company will be suspended. The treasury shares will not be taken into account in calculating the number or percentage of Shares, or of a class of shares in the Company for any purpose including substantial shareholdings, takeovers, notices, requisitioning of meetings, quorum for a meeting and result of a vote on a resolution at a meeting.

5.2 NA, Gearing and Working Capital

The NA of the Group may increase or decrease depending on the purchase price of the Shares, the number of Purchased Shares and the effective funding cost to the Group to finance the Purchased Shares or any loss in interest income to the Group.

In the event that all the Purchased Shares are cancelled, the Proposed Share Buy-Back will reduce the NA per Share of the Group when the purchase price per Share exceeds the NA per Share at the relevant point in time, and vice versa. Conversely, the NA per Share of the Company will be increased when the purchase price is lower than the NA per share at the time of purchase. Should the Purchased Shares be resold, the consolidated NA per Share will increase if the Company realises a gain from the resale, and vice versa.

The NA per Share will decrease if the Purchased Shares are retained as treasury shares due to the requirement for treasury shares to be carried at cost and offset against equity, resulting in a decrease in the NA by the cost of the treasury shares. If the treasury shares are subsequently distributed as Share Dividends, the NA of the Group would decrease by the cost of the treasury shares.

Assuming that the treasury shares are being retained by the Company and no borrowing is being used to fund any purchase of the Purchased Shares, the Proposed Share Buy-Back may increase the gearing of the Group as the Purchased Shares will reduce the equity by the cost of Shares acquired and held as treasury shares. The Proposed Share Buy-Back may further increase the gearing of the Company if borrowing is used to fund any purchase of the Purchased Shares. However, at the juncture, the Company does not foresee to use any borrowing to purchase any Shares under the Proposed Share Buy-Back.

The Proposed Share Buy-Back, and when implemented, will reduce the working capital and cash flow of the Group, the quantum of which will depend on the purchase prices of the Shares and the number of Purchased Shares.

For Purchased Shares which are kept as treasury shares, upon their resale, the working capital and cash flow of the Group will increase upon the receipt of the proceeds of the resale. The quantum of such increase will depend on the actual selling price(s) of the treasury shares and the number of treasury shares resold.

5.3 Earnings and EPS

The effects of the Proposed Share Buy-Back on the earnings and EPS of Mestron will depend on the purchase price of such Shares, the number of Purchased Shares, the effective funding cost to the Group to finance the Purchased Shares or any loss in interest income to the Company and the proposed treatment of the Purchased Shares.

The reduction in the number of Mestron Shares applied in the computation of the EPS pursuant to the Proposed Share Buy-Back may generally, all else being equal, have a positive impact on the consolidated EPS for the financial year when the Proposed Share Buy-Back is implemented.

Should the Company choose to hold the Purchased Shares as treasury shares and resell the Shares subsequently, the effect on the EPS of the Group will depend on the actual selling price, the number of treasury shares resold, and the effective gain or interest saving arising from the exercise.

If the Shares so purchased are cancelled, the Proposed Share Buy-Back will increase the EPS of the Group provided that the income foregone and interest expenses incurred on the Purchase Shares is less than the EPS before the Proposed Share Buy-Back.

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5.4 Directors' and Substantial Shareholders' Shareholdings

The tables below illustrate the direct and indirect interests of the Directors and Substantial Shareholders of Mestron as at LPD assuming that the Proposed Share Buy-Back is implemented in full and all the shares so purchased are cancelled under the following scenarios:

Scenario 1 : Mestron purchases 98,091,090 Mestron Shares, representing approximately ten per cent (10%) of the total number of issued shares of the Company as at the date, from parties other than the Directors and Shareholders. Assuming that none of the Warrants held are converted

(a) Directors of Mestron

No	Directors	As at the LPD				After the Proposed Share Buy-Back ⁽ⁱ⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
1.	Tajul Arifin Bin Mohd Tahir	160,000	0.016	-	-	160,000	0.018	-	-
2.	Por Teong Eng	192,101,600	19.584	20,000,000	2.039	192,101,600	21.760	20,000,000	2.265
3.	Loon Chin Seng	237,347,600	24.197	-	-	237,347,600	26.885	-	-
4.	Leong Peng Phooi	130,000	0.013	-	-	130,000	0.015	-	-
5.	Datuk Ir. Mohd Dom Bin Ahmad	5,701,000	0.581	-	-	5,701,000	0.646	-	-
6.	Mr. Ng Kim Cheong	36,000	0.004	-	-	36,000	0.004	-	-
7.	Dato' Low Chin Koon	5,328,000	0.543	-	-	5,328,000	0.604	-	-
8.	Mah Ying Ying	-	-	-	-	-	-	-	-

Notes:

(i) Assuming the Proposed Share Buy-Back is implemented in full and all the Shares so purchased are fully cancelled

(b) Substantial Shareholders of Mestron

No	Substantial Shareholders	As at the LPD				After the Proposed Share Buy-Back ⁽ⁱ⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
1.	Por Teong Eng	192,101,600	19.584	20,000,000	2.039	192,101,600	21.760	20,000,000	2.265
2.	Loon Chin Seng	237,347,600	24.197	-	-	237,347,600	26.885	-	-

Notes:

(i) Assuming the Proposed Share Buy-Back is implemented in full and all the Shares so purchased are fully cancelled

Scenario 2 : Mestron purchases 138,390,000 Mestron Shares, representing approximately ten per cent (10%) of the total number of issued shares of the Company as at the date, from parties other than the Directors and Shareholders. Assuming that all the outstanding Warrants are exercised.

(a) Directors of Mestron

No	Directors	After all outstanding Warrants are exercised				After the Proposed Share Buy-Back ⁽ⁱⁱ⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares ⁽ⁱ⁾	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
1.	Tajul Arifin Bin Mohd Tahir	240,000	0.017	-	-	240,000	0.019	-	-
2.	Por Teong Eng	248,152,400	17.931	25,000,000	1.806	248,152,400	19.924	25,000,000	2.007
3.	Loon Chin Seng	311,021,400	22.474	-	-	311,021,400	24.971	-	-
4.	Leong Peng Phooi	195,000	0.014	-	-	195,000	0.016	-	-
5.	Datuk Ir. Mohd Dom Bin Ahmad	8,551,500	0.618	-	-	8,551,500	0.687	-	-
6.	Mr. Ng Kim Cheong	54,000	0.004	-	-	54,000	0.004	-	-
7.	Dato' Low Chin Koon	5,328,000	0.385	-	-	5,328,000	0.428	-	-
8.	Mah Ying Ying	-	-	-	-	-	-	-	-

Notes:

(i) Assuming all the Directors have exercised their outstanding Warrants

(ii) Assuming the Proposed Share Buy-Back is implemented in full and all the Shares so purchased are fully cancelled

(b) Substantial Shareholders of Mestron

No	Substantial Shareholders	After all outstanding Warrants are exercised				After the Proposed Share Buy-Back ⁽ⁱⁱ⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares ⁽ⁱ⁾	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
1.	Por Teong Eng	248,152,400	17.931	25,000,000	1.806	248,152,400	19.924	25,000,000	2.007
2.	Loon Chin Seng	311,021,400	22.474	-	-	311,021,400	24.971	-	-

Notes:

(i) Assuming the Substantial Shareholders have exercised their outstanding Warrants

(ii) Assuming the Proposed Share Buy-Back is implemented in full and all the Shares so purchased are fully cancelled

6. INTEREST OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save for the consequential increase in the percentage of shareholdings and/or voting rights of the Directors and substantial shareholders of the Company as a result of the decrease in the Company's issued share capital after the Proposed Share Buy-Back, none of the Directors and/or Substantial Shareholders and/or persons connected to them have any interest, either direct or indirect in the Proposed Share Buy-Back and the subsequent resale of treasury shares, if any, in the future.

7. APPROVALS REQUIRED

The Proposed Share Buy-Back is conditional upon the approval of the Shareholders of the Company being obtained at the forthcoming AGM to be convened.

8. PREVIOUS PURCHASE, RESALE, CANCELLATION AND/OR TRANSFER OF TREASURY SHARES MADE IN THE PRECEDING TWELVE (12) MONTHS

Given that this is the first time the Company is seeking from the Shareholders for the Proposed Share Buy-Back, the Company does not currently hold any treasury shares and has not purchased, resold, transferred or cancelled any Shares in the preceding twelve (12) months.

9. HISTORICAL SHARE PRICES

The following table sets out the monthly highest and lowest prices of Mestron Shares traded on Bursa Securities for the preceding twelve (12) months from February 2022 up to March 2023:-

	Highest RM	Lowest RM
<u>2022</u>		
February	0.330	0.300
March	0.315	0.300
April	0.325	0.300
May	0.330	0.305
June	0.345	0.320
July	0.350	0.325
August	0.375	0.340
September	0.385	0.365
October	0.415	0.375
November	0.475	0.400
December	0.470	0.420
<u>2023</u>		
January	0.485	0.415
February	0.450	0.410
March	0.440	0.395

The last transacted price of Mestron Shares as at LPD was RM0.405

(Source: Bursa Securities)

10. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is fair, reasonable and in the best interests of the Company and accordingly recommended that the shareholders of Mestron vote in favour of the ordinary resolution for the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

11. FURTHER INFORMATION

Shareholders are requested to refer to Appendix 1 contained in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
MESTRON HOLDINGS BERHAD

TAJUL ARIFIN BIN MOHD TAHIR
Independent Non-Executive Chairman

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APPENDIX 1 – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by the Shareholders of Mestron at the Registered Office of Mestron at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur during normal office hours between Monday and Friday (except public holidays) from the date of this Statement up to and including the date of the AGM:

- (i) The Constitution of Mestron; and
- (ii) The audited financial statements of Mestron Group for the past financial year ended 31 December 2021 and 31 December 2022.

APPENDIX 2 – EXTRACT NOTICE OF THE 5TH ANNUAL GENERAL MEETING

MESTRON HOLDINGS BERHAD
Registration No. 201801018716 (1280732-K)
(Incorporated in Malaysia)

EXTRACT OF NOTICE OF THE 5TH ANNUAL GENERAL MEETING

ORDINARY RESOLUTION 7

PROPOSED AUTHORITY TO THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES OF UP TO TEN PERCENT (10%) IN THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY AT ANY GIVEN POINT IN TIME (“PROPOSED SHARE BUY-BACK”)

“THAT subject to the Companies Act 2016, the Company’s Constitution, the relevant ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares in the Company (“Proposed Share Buy-Back”) as may be determined by the Board of Directors of the Company (“Board”) from time to time through Bursa Malaysia Securities Berhad pursuant to the ACE Market Listing Requirements and such terms and conditions as the Board may deem fit and expedient in the best interest of the Company provided that the aggregate number of ordinary shares purchased pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company;

THAT the maximum amount of funds to be utilised by the Company for the purpose of the Proposed Share Buy-Back shall not exceed the aggregate retained earnings based on the latest Audited Financial Statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s);

THAT upon the purchase by the Company of the ordinary shares, the Board shall have the absolute discretion to decide whether such shares purchased are to be cancelled and/or retained as treasury shares and/or distributed as dividends and/or resold on Bursa Malaysia Securities Berhad or transferred for the purpose of or under the employee’ share scheme or share grant scheme which the Company may establish or in any other manner as prescribed by the Companies Act 2016, rules, regulations and orders made pursuant to the Companies Act 2016, the ACE Market Listing Requirements and any other relevant authorities for the time being in force;

THAT such authority conferred by this resolution shall commence immediately upon the passing of this resolution until:

- (i) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that Meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earliest.

AND THAT the Board be and is hereby authorised to take such steps to give full effect to the Proposed Share Buy-Back with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and/or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.”