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If you are in any doubt about the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or professional advisers immediately.

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**MALTON BERHAD**  
[Registration No: 199401035205 (320888-T)]  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

in relation to

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

The above-mentioned proposal will be tabled as Special Business at the 29<sup>th</sup> Annual General Meeting of Malton Berhad ("29<sup>th</sup> AGM") to be conducted on a virtual basis through live streaming and online remote participation and voting from the broadcast venue at Level 19, Pavilion Tower, 75, Jalan Raja Chulan, 50200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia using Remote Participation and Voting (RPV) facilities via online meeting platform at [www.swsb.com.my](http://www.swsb.com.my) provided by ShareWorks Sdn Bhd in Malaysia on Friday, 22 November 2024 at 10.00 a.m. The Notice of the 29<sup>th</sup> AGM is set out in the Annual Report for the financial year ended 30 June 2024 ("Annual Report 2024").

As a member who is entitled to attend and vote at the 29<sup>th</sup> AGM, you are entitled to appoint a proxy to attend and vote on your behalf. In such event, your Proxy Form should reach the office of our share registrar, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur on or before the date and time indicated below.

The lodging of the Proxy Form will not preclude you from attending and voting in person at the 29<sup>th</sup> AGM if you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Wednesday, 20 November 2024 at 10.00 a.m.

Date and time of the 29<sup>th</sup> AGM : Friday, 22 November 2024 at 10.00 a.m.

This Circular is dated 30 October 2024

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## DEFINITIONS

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

Act	:	Companies Act, 2016 as amended from time to time and any reenactment thereof
AGM	:	Annual General Meeting
Board of Directors or the Board	:	The Board of Directors of Malton
Bursa Securities	:	Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
Director(s)	:	A person defined in Section 2(1) of the Capital Markets and Services Act, 2007 and for the purposes of the Proposed Renewal of Shareholders' Mandate includes any person who is or was within the preceding 6 months of the date on which the terms of the transactions were agreed upon, a Director or a chief executive officer of the Company, its subsidiaries or holding company
Listing Requirements	:	The Main Market Listing Requirements of Bursa Securities
LPD	:	25 October 2024, being the latest practicable date prior to the printing of this circular
Major Shareholder(s)	:	<p>A person who has an interest or interests in one or more voting shares in the Company and the number or the 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 a person is the largest shareholder of the Company,</p> <p>including any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the company as defined above (or any other company which is its subsidiary or holding company)</p> <p>For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8 of the Act.</p>
Malton or the Company	:	Malton Berhad [199401035205(320888-T)]
Malton Corporation	:	Malton Corporation Sdn Bhd [199601015913(388263-A)]
Malton Group or the Group	:	Malton and its subsidiaries, collectively
NA	:	Net Assets

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**DEFINITIONS (Cont'd)**

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Person(s) Connected	: Such person includes a body of persons, corporate or unincorporate (including a trust), in relation to a Director or Major Shareholder, who falls under any one of the following categories: <ul style="list-style-type: none"><li>(a) a family member of the Director or Major Shareholder;</li><li>(b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director, Major Shareholder or a family member of the Director or Major Shareholder is the sole beneficiary;</li><li>(c) a partner of the Director or Major Shareholder;</li><li>(d) a person or where a 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 Director or Major Shareholder;</li><li>(e) a person or where a person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes, the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;</li><li>(f) a body corporate in which the Director, Major Shareholder or persons connected with the Director or Major Shareholder are entitled to exercise, or control the exercise of not less than 20% of the votes attached to voting shares in the body corporate; or</li><li>(g) a body corporate which is a related corporation of the Director or Major Shareholder</li></ul>
Proposed Renewal of Shareholders' Mandate	: Proposed renewal of shareholders' mandate as specified in Section 2 of this Circular to be entered into by Malton Group from the date of the forthcoming AGM until the conclusion of the next AGM of the Company
Related Party or Related Parties	: A Director, a Major Shareholder or Person(s) Connected
Recurrent Related Party Transactions or RRPT	: Related party transactions which are recurrent, of a revenue or trading nature and which are necessary for Malton Group's day-to-day operations and are in the ordinary course of business
RM	: Ringgit Malaysia
SC	: Securities Commission
Share(s)	: Ordinary share(s) in Malton

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**TABLE OF CONTENTS**

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	Page
<b>LETTER FROM THE BOARD TO THE SHAREHOLDERS OF MALTON</b>	
1. INTRODUCTION	1
2. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE	1
2.1 <i>Details of the Proposed Renewal of Shareholders' Mandate</i>	1
2.2 <i>Classes of Related Parties</i>	2
2.3 <i>Principal Activities of Malton Group</i>	2
2.4 <i>Details of the Recurrent Related Party Transactions</i>	3
2.5 <i>Review and Approving Procedures for Recurrent Related Party Transactions</i>	5
2.6 <i>Statement by the Audit Committee</i>	7
2.7 <i>Rationale and Benefits of the Proposed Renewal of Shareholders' Mandate</i>	7
2.8 <i>Interests of Directors', Major Shareholders' and/or Persons Connected</i>	8
3. CONDITION OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE	9
4. OPINION AND RECOMMENDATION FROM DIRECTORS	9
5. AGM	9
6. FURTHER INFORMATION	9
APPENDIX	
I FURTHER INFORMATION	10
II EXTRACT OF RESOLUTIONS	12

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MALTON BERHAD [Registration No: 199401035205 (320888-T)]  
(Incorporated in Malaysia)

Registered Office:  
19-0, Level 19, Pavilion Tower  
75, Jalan Raja Chulan  
50200 Kuala Lumpur

30 October 2024

## Board of Directors

Tan Sri Lim Siew Choon (*Non-Independent Non-Executive Chairman*)  
Puan Sri Tan Kewi Yong (*Executive Director*)  
Datuk Hong Lay Chuan (*Executive Director*)  
Chua Thian Teck (*Executive Director*)  
Dato' Siew Mun Wai (*Independent Non-Executive Director*)  
Arunasalam A/L Muthusamy (*Independent Non-Executive Director*)  
Baharum Bin Harun (*Independent Non-Executive Director*)

To: The Shareholders of Malton Berhad

Dear Sir/Madam,

## PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

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### 1. INTRODUCTION

The Board had, at the 28<sup>th</sup> Annual General Meeting of Company held on 22 November 2023, obtained shareholders' approval for Proposed renewal of shareholders' mandate to allow the Malton Group to enter into Recurrent Related Party Transactions of a revenue or trading nature pursuant to Paragraph 10.09(2) of the Listing Requirements for sale of trading stock properties and construction related services and project management services.

The Board had on 25 October 2024 announced to Bursa Securities that the Company is proposing to seek its shareholders' approval for the Proposed Renewal of Shareholders' Mandate at the 29<sup>th</sup> AGM.

The purpose of this circular is to provide you with relevant information on the Proposed Renewal of Shareholders' Mandate and to seek your approval for the resolutions to be tabled at the 29<sup>th</sup> AGM. The Notice of the 29<sup>th</sup> AGM together with the Proxy Form are set out in the Annual Report of the Company for the financial year ended 30 June 2024.

**SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AT THE 29<sup>th</sup> AGM OF THE COMPANY.**

### 2. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

#### 2.1 Details of the Proposed Renewal of Shareholders' Mandate

Pursuant to Paragraph 10.09(2) of the Listing Requirements, the Company may seek shareholders' mandate in respect of Recurrent Related Party Transactions subject to the following:-

- (a) the transactions are in the ordinary course of business of the Group 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 threshold prescribed below:-
  - (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is RM1 million or more; or

- (ii) the percentage ratio of such Recurrent Related Party Transactions is 1% or more,
  - whichever is the higher;
- (c) the issuance of circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities together with a checklist showing compliance with such information when submitting the circular to Bursa Securities;
- (d) in a meeting to obtain the shareholders' mandate, the interested Director, interested Major Shareholder or interested Person Connected; and where it involves the interest of an interested Person Connected with a Director or Major Shareholder, such Director or Major Shareholder must not vote on the resolution approving the Recurrent Related Party Transactions. An interested Director or Interested Major Shareholder must ensure that Persons Connected with him/her abstain from voting on the resolution approving the Recurrent Related Party Transactions; and
- (e) the Company immediately announces to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the Group exceeds the estimated value of the Recurrent Related Party Transactions disclosed in this Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

The Board proposes to seek shareholders' approval to renew shareholders' mandate obtained at the 28<sup>th</sup> Annual General Meeting of the Company held on 22 November 2023 to enter into Recurrent Related Party Transactions in relation to sale of trading stock properties and construction related services and property management services. The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders at the forthcoming AGM, will take effect from the date of passing the ordinary resolutions at the forthcoming AGM and will only continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the general meeting at which such mandate was approved, at which time it will lapse, unless by a resolution passed at the general meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company after that date it 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 Act); or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earliest.

Thereafter, the approval from shareholders will be sought for the renewal of shareholders' mandate for the Recurrent Related Party Transactions, as applicable at each subsequent AGM of the Company, if the Board decides that the renewal of the Proposed Renewal of Shareholders' Mandate is required.

Disclosures will be made in the annual report of the Company of the breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year and in the annual reports for the subsequent financial year during which a shareholders' mandate is in force in the manner prescribed under the Listing Requirements 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 Transactions made and their relationship with the listed issuer.

## **2.2 Classes of Related Parties**

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

- (a) Directors;
- (b) Major Shareholders; and
- (c) Persons Connected.

## **2.3 Principal Activities of Malton Group**

The principal activities of Malton are investment holding and provision of management services to its subsidiaries. The principal activities of Malton Group can be broadly categorised under the following:-

- (a) Property development and investment;
- (b) Construction; and
- (c) Project management.

## 2.4 Details of the Recurrent Related Party Transactions

### Type of Recurrent Related Party Transactions

- Sale of trading stock properties
- Construction related services and project management services

Subsidiaries of Malton which are engaged in the business of property development, develop commercial and residential properties such as offices, shop-offices, condominiums, service apartments, linked or detached houses and bungalows for sale to the public including the employees, directors, major shareholders and persons connected to the directors and/or major shareholders. ("sale of trading stock properties").

The sale of trading stock properties to the Related Parties are made on normal commercial terms not more favourable to the Related Parties than those generally available to the public. The transaction price will be based on the price list of properties available for sale by the subsidiaries of Malton.

In the course of the Malton Group's business, it is anticipated that:-

- Malton Group may be awarded construction contracts and/or project management services contracts by and/or engage in project management or construction related services with certain companies or entities in which the Related Parties may have interest, directly or indirectly ("**RRPT Contracts from Related Parties**"); and
- Malton Group may award construction contracts and/or project management services contracts to and/or engage in project management or construction related services with certain companies or entities in which the Related Parties may have interest, directly or indirectly ("**RRPT Contracts to Related Parties**").

In this regard, the Proposed Renewal of Shareholders' Mandate will facilitate such transactions between the Malton Group and such Related Parties that may arise in the normal course of operations of Malton Group in a more expeditious manner.

The Recurrent Related Party Transactions which fall under the Proposed Renewal of Shareholders' Mandate shall comprise the following:

Nature of RRPT	Related Parties	Relationship	Interested Directors/ Major Shareholders/ Persons Connected	Proposed Mandate	Existing Mandate	
				Estimated value from date of the forthcoming AGM to date of next AGM RM	Estimated value of transactions approved at the last AGM RM	Actual value of transactions since the last AGM till LPD RM
Sale of Trading Stock Properties						
Sale of trading stock properties comprising, inter alia, commercial and residential properties under existing and future development projects of the Group	All classes of related parties	All classes of related parties	All classes of related parties	Figure not available*	Figure not available*	Nil

Nature of RRPT	Related Parties	Relationship	Interested Directors/ Major Shareholders/ Persons Connected	Proposed Mandate	Existing Mandate	
				Estimated value from date of the forthcoming AGM to date of next AGM RM	Estimated value of transactions approved at the last AGM RM	Actual value of transactions since the last AGM till LPD RM
RRPT Contracts from Related Parties						
Provision of Construction, project management and construction related services by the Malton Group to Related Parties	Related Parties which are engaged in property development	Deemed as Related Parties by virtue of Tan Sri Lim Siew Choon and/or Puan Sri Tan Kewi Yong and/or persons connected to them having a directorship or direct/indirect substantial shareholdings in the Related Parties	Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong	2 billion#	2 billion	Nil
RRPT Contracts to Related Parties						
Provision of Construction, project management and construction related services by Related Parties to the Malton Group	Related Parties which provide construction and/or property management services and construction related services	Deemed as Related Parties by virtue of Tan Sri Lim Siew Choon and/or Puan Sri Tan Kewi Yong and/or persons connected to them having a directorship or direct/indirect substantial shareholdings in the Related Parties	Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong	2 billion#	2 billion	Nil

**Note:**

\* These transactions (if any) are to cater for future sale to Related Parties who may acquire properties being developed and sold by the Group in the ordinary course of business. The aggregate amount of the sale of trading stock properties to Related Parties from the date of the forthcoming AGM to the date of the next AGM will be monitored to ensure that the transactions do not exceed 10% of the percentage ratio pursuant to Paragraph 3.3(a) of Practice Note 12 of the Listing Requirements.

# Based on best estimates by Management of Malton Group after taking into consideration of projected award of new contracts from the date of the forthcoming AGM to the date of the next AGM. The actual value of new contracts may vary from, exceed or be lower than the estimated aggregate value shown above.

Pursuant to the shareholders' mandate obtained at the Extraordinary General Meeting of the Company held on 4 March 2015, the value of contracts awarded to the Malton Group by Impian Ekspresi Sdn Bhd was RM703 million (later revised to RM627 million) of which progress billings recorded as at 30 June 2024 stood at RM559,519,694. In relation to the contract valued at RM253 million awarded by Jendela Mayang Sdn Bhd to the Malton Group under the shareholders' mandate obtained at the 23<sup>rd</sup> AGM of the Company held on 23 November 2018, the progress billings recorded as at 30 June 2024 was RM210,776,496. In relation to the contract valued at RM393.3 million awarded by WCT OUG Development Sdn Bhd to Malton Group under the shareholders' mandate obtained at the 25<sup>th</sup> AGM of the Company held on 25 November 2020, the progress billings recorded as at 30 June 2024 was RM304,340,561. In relation to the contract valued at RM507,465,115 awarded by WCT Berhad to Malton Group under the shareholders' mandate obtained at the 26<sup>th</sup> AGM of the Company held on 25 November 2021, the progress billing as at 30 June 2024 was RM367,453,069.



- 2.4.1 There are various factors that affect the pricing of properties including but not limited to the prevailing market condition generally and the quality and characteristics for different properties, such as amenities, features, location and age. The selling price of the properties is generally applicable to all customers of the Group.
- 2.4.2 Pursuant to the existing shareholders' mandate for Recurrent Related Party Transactions for Sale of Trading Stock Properties obtained at the 28<sup>th</sup> AGM of the Company held on 22 November 2023, no transaction was conducted from the date of the existing shareholders' mandate was obtained up to LPD.
- 2.4.3 Further to the disclosure under 2.4.2 set out above, there is no amount due and/or owing to the Company by the Related Parties pursuant to Recurrent Related Party Transaction in relation to Sale of Trading Stock Properties as at the end of the financial year ended 30 June 2024.

For Recurrent Related Party Transactions in relation to construction related services and project management services, the amount due and/or owing to Malton Group by the Related Parties as at the end of the financial year ended 30 June 2024 is set out below.

Related Parties	Amount owing to Malton Group	
	One year or less RM'000	Above 1 year to 3 years RM'000
Impian Ekspresi Sdn Bhd	-	9,708
Harmoni Perkasa Sdn Bhd	-	264
Jendela Mayang Sdn Bhd	113	50,338
WCT OUG Development Sdn Bhd	35,488	14,149
WCT Berhad	75,379	77,913
<b>Total</b>	<b>110,980</b>	<b>152,372</b>

**Note**

*The total amount owing to Malton Group for one year or less and above 1 year to 3 years as set out above include retention sum of RM11,301,353 and RM62,061,265 respectively.*

The amount due and/or owing set out above is fully recoverable and not subject to any late payment charges.

## **2.5 Review and Approving Procedures for Recurrent Related Party Transactions**

Malton Group has established internal review and approving procedures to ensure the Recurrent Related Party Transactions are entered into on an arm's length basis which are not more favourable than those transacted with the public and are not detrimental to the interest of the minority shareholders of the Company. These include transacting at the prevailing market prices or in accordance with the applicable industry practices.

### **2.5.1 Review and Approving procedures for Recurrent Related Party Transactions in relation to sale of trading stock properties**

The review procedures are as follows:-

- (a) Management will be notified that all Recurrent Related Party Transactions are required to be undertaken at arm's length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders;
- (b) Management will ensure that at least 2 other contemporaneous transactions with unrelated third parties for similar products 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 the unrelated third parties for the same or substantially similar type of products. If comparative pricing from unrelated third parties cannot be obtained, Management will consider various factors that affect the pricing of properties including but not limited to the prevailing market condition generally and the quality and characteristics for different properties, such as amenities, features, location and age and ensure that the Recurrent Related Party Transactions are not detrimental to the Group;
- (c) All Recurrent Related Party Transactions entered into pursuant to the Proposed Renewal of Shareholders' Mandate will be recorded in a register to be maintained by the Company;
- (d) The internal audit plan shall incorporate review of all Recurrent Related Party Transactions entered into pursuant to the shareholders' mandate to ensure that relevant approvals have been obtained and that review procedures were adhered to;

- (e) The internal auditor, as part of his audit review, will check to ensure that all transactions entered into pursuant to the Proposed Renewal of Shareholders' Mandate will be on arm's length commercial terms;
- (f) The Board and the Audit Committee of Malton shall review the internal audit plan to ascertain that review procedures established to monitor the Recurrent Related Party Transactions are complied with;
- (g) There is no threshold for the approval of Recurrent Related Party Transactions within the Group as the sale of trading stock properties by the Group to the Related Parties are guided by the prevailing selling prices of the properties carried out on arm's length basis, on terms not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders of the Company;
- (h) Should the Audit Committee during its review form an opinion that the related party transactions are not being conducted in accordance with the established procedures and/or are not being conducted on an arm's length basis and on normal commercial terms, or are detrimental to the interest of minority shareholders, the Board will be advised to convene a General Meeting of shareholders to seek a fresh shareholders' mandate for the recurrent related party transactions of a revenue or trading nature; and
- (i) Interested directors who are members of the Board and/or of the Audit Committee will abstain from taking part in deliberations pertaining to the Recurrent Related Party Transactions and will ensure that they and any person(s) connected to them abstain from voting at general meetings to seek shareholders' approval.

#### **2.5.2 Review and Approving procedures for Recurrent Related Party Transactions in relation to construction related services and project management services**

The Malton Group shall adopt the following procedures before entering into any Recurrent Related Party Transactions in relation to construction related services and project management services with the Related Parties:-

- (a) Any tender, quotation or contract proposed to be entered into shall be subject to the following policies and procedures:
  - (i) The pricing for the contracts and/or provision of services to be entered into by the Group with the Related Parties to the Group will be reviewed and accepted in accordance with the Group's normal business practices and policies, consistent with the usual profit margin which would have been imposed for the same or substantially similar type of transactions made by the Group with unrelated third parties after adjusting for the then prevailing market conditions, the nature and complexity of the contract works and/or services; and
  - (ii) Where applicable, practical and feasible, the terms and pricing for 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 the unrelated third parties for the same or substantially similar type of products/services and/or quantities. If comparative pricing from unrelated third parties cannot be obtained, Management will consider transaction terms and pricing 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 Transactions are not detrimental to the Group.
- (b) The award of construction contracts and/or project management services contracts to or from the Related Parties shall only be granted after obtaining approval of the Board with prior review by the Audit Committee for contracts exceeding 2% of the annual turnover of the Group based on the latest audited financial statements. The interested Directors shall abstain from all deliberations and approval at the relevant Board meeting.
- (c) The internal auditors will conduct reviews on the Recurrent Related Party Transactions to ensure that the review procedures pertaining to the transactions are adhered to. All Recurrent Related Party Transactions will be recorded in a register to be maintained by the Company and report to the Audit Committee on an annual basis for review. Any divergence will be reported by the Audit Committee to the Board accordingly. However, in the event where the actual value of the new Recurrent Related Party Transaction exceeds the estimated value by 10% or more, such new Recurrent Related Party Transaction and the reasons for such deviation will be immediately announced to Bursa Securities.

- (d) In addition to the guidelines set out above, the Audit Committee will also undertake the following reviews:
  - (i) The Audit Committee will carry out an annual review or as and when necessary to ascertain that the established guidelines and procedures for the Recurrent Related Party Transactions have been complied with; and
  - (ii) The Audit Committee will consider, from time to time, whether established guidelines and procedures for the Recurrent Related Party Transactions have become inappropriate, and/or are unable to ensure that the transactions will be on normal commercial terms, and/or prejudice the interests of shareholders generally.
- (e) Should the Audit Committee during its review form an opinion that the Recurrent Related Party Transactions are not being conducted in accordance with the established guidelines and procedures and/or are not on an arm's length basis and on normal commercial terms, or are detrimental to the interest of shareholders, the Board will be advised to convene a general meeting of shareholders to seek a fresh shareholders' mandate for the Recurrent Related Party Transactions.

## **2.6 Statement by the Audit Committee**

The Audit Committee of the Company has seen and reviewed the procedures mentioned in Section 2.5 above and is of the view that the terms of the procedures established are sufficient to ensure that the new Recurrent Related Party Transactions 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 the Company.

The Audit Committee of the Company is also of the view that the Group has in place adequate procedures and processes to monitor, track and identify new Recurrent Related Party Transactions in a timely and orderly manner. The procedures will be reviewed on a quarterly basis or as and when necessary.

## **2.7 Rationale and benefits of the Proposed Renewal of Shareholders' Mandate**

The Recurrent Related Party Transactions in respect of sale of trading stock properties entered or to be entered into by the Malton Group with the Related Parties are all in the ordinary course of business on normal commercial terms and not detrimental to the minority shareholders of the Company. They are recurring transactions of revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time. The Recurrent Related Party Transactions in respect of sale of trading stock properties are recurring transactions of revenue or trading nature which will generate income and profitability to the Group and the Related Parties. It is in the best interest of the Group to transact with such Related Parties so that the Group and the Related Parties can enjoy synergistic benefits.

The provision of construction, construction related services and project management services contracts by the Group to a Related Party and vice versa would normally be regarded as a related party transaction pursuant to Chapter 10 of the Listing Requirements, which requires amongst others, the Company to make an announcement and/or seek its shareholders' approval before entering into such related party transactions.

In the ordinary course of business of the Malton Group, the Group may engage in RRPT Contracts from Related Parties, which include entering into contracts for construction or provision of construction related services or provide project management services to companies which carry out property development. Engagement in such RRPT Contracts from Related Parties will generate revenue and profits to the Group.

In addition to RRPT Contracts from Related Parties, the property development subsidiaries of the Malton Group may also enter into RRPT Contract to Related Parties, which entail awarding contracts for construction or construction related services or project management services to Related Parties engaged in construction or provision of construction related services or provision of project management services.

Where the pricing and terms offered by the Related Parties for RRPT Contracts to Related Parties are on an arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public, the entering into RRPT Contracts to Related Parties by the Malton Group provides the Group additional options for engagement of contractors and project managers which are capable and competent in addition to the Group's existing contractors and project managers.

As these construction related and project management contracts may likely recur from time to time, it would not be practical for the Company to convene general meetings to approve such transactions on a frequent basis. The entering of such contracts with the Related Parties would also be constrained by the requirement to make announcements as it would not be practical for details of the contracts to be made public due to confidentiality undertakings. Further, it would also compromise the competitiveness of our Group as a contractor or project manager if details of such contracts are made publicly available.

As such, the Board intends to seek shareholders' mandate for the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions at the forthcoming AGM which, if approved, would allow our Group to continue to enter into such Recurrent Related Party Transactions without the need to make any public announcement and convene general meetings to approve such transactions whenever such transactions arise from time to time, thereby reducing the administrative time, efforts and costs associated with convening of such general meetings.

## **2.8 Interests of Directors, Major Shareholders and/or Persons Connected**

In respect of the Proposed Renewal of Shareholders' Mandate for sale of trading stock properties, all of the Directors of Malton have accordingly abstained and/or will continue to abstain from all Board deliberations and voting.

The Directors, Major Shareholders and Persons Connected will abstain from voting on the resolution involving their direct and indirect shareholdings (if any) in respect of the Proposed Renewal of Shareholders' Mandate for sale of trading stock properties at the forthcoming 29<sup>th</sup> AGM.

In addition, the Directors and/or Major Shareholders, have undertaken that they will ensure that Persons Connected abstain from voting on the resolution on the Proposed Renewal of Shareholders' Mandate for sale of trading stock properties at the forthcoming 29<sup>th</sup> AGM.

Tan Sri Lim Siew Choon is the Non-Independent Non-Executive Chairman and a major shareholder of Malton. He also sits on the Boards of Directors and holds substantial equity interests in certain public and private limited companies which are involved in construction and property development activities, which may enter into construction related contracts and/or project management services contracts with the Malton Group in the ordinary course of business of the Malton Group. Persons connected to Tan Sri Lim Siew Choon, who have interests in construction and development companies as directors and/or shareholders, may also enter into construction related contracts and/or project management services contracts with the Malton Group in the ordinary course of business of the Malton Group.

As such, Tan Sri Lim Siew Choon is deemed interested in the Proposed Renewal of Shareholders' Mandate for construction related services and project management services and has accordingly abstained and will continue to abstain from deliberating and voting at the relevant Board meetings of Malton in relation to the Proposed Renewal of Shareholders' Mandate for construction related services and project management services.

Puan Sri Tan Kewi Yong, an Executive Director and a major shareholder of Malton is also deemed interested by virtue of her being the spouse of Tan Sri Lim Siew Choon. Accordingly, she has abstained and will continue to abstain from deliberating and voting at the relevant Board meetings of Malton in relation to the Proposed Renewal of Shareholders' Mandate for construction related services and project management services.

In addition, Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong shall undertake to abstain from voting in respect of their direct and indirect shareholdings in Malton on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate for construction related services and project management services to be tabled at the forthcoming AGM. They have undertaken to ensure that the Persons Connected to them (including Malton Corporation, a major shareholder of Malton) will abstain from voting in respect of their direct and indirect shareholdings in Malton on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate for construction related services and project management services.

Save as disclosed above, none of the other Directors, Major Shareholder and/or persons connected to them have any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate for construction related services and project management services.

The shareholdings of the aforementioned interested Directors and Major Shareholders of Malton as at LPD are set out below:

Name	Direct interest		Indirect interest	
	No of shares '000	%	No of shares '000	%
Malton Corporation	193,001	36.54	-	-
Tan Sri Lim Siew Choon	22,682	4.29	193,001*	36.54
Puan Sri Tan Kewi Yong	-	-	193,001*	36.54

Note:

\* Deemed interested pursuant to Section 8 of the Act

### 3. CONDITION OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate is conditional upon approval being obtained from the shareholders of the Company at the 29<sup>th</sup> AGM.

No other regulatory approvals are required for the Proposed Renewal of Shareholders' Mandate.

### 4. OPINION AND RECOMMENDATION FROM DIRECTORS

All Directors hereby abstain from making any recommendation and opinion on the Proposed Renewal of Shareholders' Mandate for sale of trading stock properties as all the Directors are deemed interested in the Proposed Renewal of Shareholders' Mandate for sale of trading stock properties.

The Directors (save for Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong), having taken into consideration all aspects of the Proposed Renewal of Shareholders' Mandate for construction related services and project management services, are of the opinion that the Proposed Renewal of Shareholders' Mandate for construction related services and project management services is in the best interest of the Company and its shareholders. The Directors (save for Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong who have abstained from deliberations and recommendation in respect of the Proposed Renewal of Shareholders' Mandate for construction related services and project management services) recommend that you vote in favour of the resolution in respect of the Proposed Renewal of Shareholders' Mandate for construction related services and project management services at the 29<sup>th</sup> AGM.

### 5. AGM

The 29<sup>th</sup> AGM will be conducted on a virtual basis through live streaming and online remote participation and voting from the broadcast venue at Level 19, Pavilion Tower, 75, Jalan Raja Chulan, 50200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia using Remote Participation and Voting (RPV) facilities via online meeting platform at [www.swsb.com.my](http://www.swsb.com.my) provided by ShareWorks Sdn Bhd in Malaysia on Friday, 22 November 2024 at 10.00 a.m. for the purpose of considering and if thought fit, passing with or without modifications, the ordinary resolutions to give effect to the Proposed Renewal of Shareholders' Mandate.

If you are unable to attend and vote in person at the 29<sup>th</sup> AGM, you may complete and return the Proxy Form enclosed in the Annual Report 2024 in accordance with the instructions printed therein as soon as possible in any event, to arrive at the office of our share registrar, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur not less than forty-eight (48) hours before the time fixed for the holding of the 29<sup>th</sup> AGM. The lodging of the Proxy Form does not preclude you from attending and voting in person should you subsequently decide to do so.

### 6. FURTHER INFORMATION

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

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

**Arunasalam A/L Muthusamy**  
Independent Non-Executive Director/Chairman of Audit Committee

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Directors of Malton who collectively and individually accept full responsibility for the accuracy of the information given 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 herein false and misleading.

**2. MATERIAL LITIGATION**

Save as disclosed below, neither the Company nor any of its subsidiaries is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company and/or its subsidiaries and the Board has no knowledge of any proceedings pending or threatened against the Company and/or its subsidiaries or of any fact likely to give rise to any proceeding which may materially affect the financial position of the Malton Group as at LPD.

- (a) In connection with the joint venture agreement dated 7 April 2014 between Yayasan Wilayah Persekutuan and Memang Perkasa Sdn Bhd (MPSB), a 51% owned subsidiary of Malton for the proposed development of a 12 acre leasehold land located in Taman Tun Dr Ismail, Kuala Lumpur (Land), Perbadanan Pengurusan Trellises and 9 Others (Applicants) had on 11 August 2017, filed a Judicial Review proceeding against Datuk Bandar Kuala Lumpur and Dewan Bandaraya Kuala Lumpur (Respondents) for the following Orders:-
- (i) An Order of Certiorari to quash the decision of Datuk Bandar Kuala Lumpur to grant a conditional planning approval dated 28 February 2017 for the proposed development on the Land;
  - (ii) An Order for Certiorari to quash the decision of Datuk Bandar Kuala Lumpur to grant the development order dated 13 July 2017 in relation to the proposed development mentioned in paragraph (i) above; and
  - (iii) An Order on Mandamus for the Datuk Bandar Kuala Lumpur to adopt the draft Kuala Lumpur local plan 2020 and publish the said adoption in the gazette pursuant to Section 16 of the Federal Territory (Planning Act) 1982.

On 15 November 2017, the Kuala Lumpur High Court allowed MPSB's application to intervene and be added as the 4<sup>th</sup> Respondent in the Judicial Review proceeding.

On 28 November 2018, the Kuala Lumpur High Court ruled that the planning approval was valid and the application for the above-mentioned Orders was struck out. The Applicants appealed to the Court of Appeal against the decision of the Kuala Lumpur High Court on 13 December 2018. On 27 January 2021, the Court of Appeal delivered its decision and handed down the following Orders:

- (i) That the Applicants' Appeal was unanimously allowed with costs;
- (ii) That the decision of the High Court dated 28 November 2018 was set aside; and
- (iii) That an Order of Certiorari be granted quashing the decision of the Datuk Bandar Kuala Lumpur in granting the Development Order dated 13 July 2017 in respect of the proposed development on the Land.

On 23 February 2021, MPSB filed a Notice of Motion for Leave to Appeal to the Federal Court and the Federal Court had on 1 September 2021 allowed the application by MPSB to appeal against the decision of the Court of Appeal. The Notice of Appeal to the Federal Court was filed on 14 September 2021. The hearing for the appeal which was fixed on 19 January 2022 was postponed to 22 and 28 April 2022. Hearing continued from 25 July 2022 and concluded on 27 July 2022. On 18 April 2023, the Federal Court upheld the decision of the Court of Appeal of 27 January 2021 which granted an order of certiorari quashing the decision of the Datuk Bandar Kuala Lumpur in granting the Development Order dated 13 July 2017 in respect of the proposed development on the Land with costs of RM70,000.00 to be paid by MPSB to the 6th to 10th Respondents comprise residents and property owners in Taman Tun Dr. Ismail, Kuala Lumpur.

### 3. MATERIAL CONTRACTS

Save as disclosed below, there were no contracts which are material (not being contracts entered into in the ordinary course of business) which have been entered into by the Company and/or any of its subsidiaries within the two (2) years immediately preceding LPD.

- (a) Regal Path Sdn Bhd, a 51% joint venture of Malton, had on 22 November 2022 entered into a Conditional Sale and Purchase Agreement with MTrustee Berhad, acting as the trustee of Pavilion Real Estate Investment Trust ("Pavilion REIT"), to dispose of 1 block of 5-storey retail mall with 2 basement car park levels located within Bukit Jalil City, Bukit Jalil, Kuala Lumpur, together with the related assets and rights, known as "Pavilion Bukit Jalil Mall" to Pavilion REIT, for a total indicative disposal consideration of RM2,200,000,000 to Regal Path to be fully satisfied either by fully in cash, or a combination of new units in Pavilion REIT of up to the equivalent sum of RM600,000,000 and the balance in cash. The disposal has been completed on 1 June 2023.
- (b) Pembinaan Gapadu Sdn Bhd, a wholly-owned subsidiary of Malton, had on 2 July 2024 entered into a Conditional Sale and Purchase Agreement ("SPA") with Sering Manis Sdn Bhd ("SMSB"), a 51%- owned subsidiary of Global Oriental Berhad, to acquire 4 parcels of freehold development land measuring approximately 30.167 acres located in Mukim Bentong and District of Bentong, Pahang from SMSB for a purchase consideration of RM65,000,000.00 to be settled in cash. As at LPD, all the conditions precedent of the SPA have been fulfilled and the SPA has become unconditional on 4 October 2024.
- (c) Horizontal Promenade Sdn Bhd, a wholly-owned subsidiary of Malton, had on 16 August 2024 entered into 4 separate sale and purchase agreement with Coral Fields Resources Sdn Bhd ("CFRSB") to acquire 4 parcels of adjacent freehold land located in Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur measuring in aggregate approximately 2,935.11 square metres from CFRSB for an aggregate purchase consideration of RM31,593,200 to be settled in cash. As at LPD, the proposed acquisition of the aforementioned lands has yet to be completed pending full settlement of purchase consideration.

### 4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of Malton at 19-0, Level 19, Pavilion Tower, 75, Jalan Raja Chulan, 50200 Kuala Lumpur during normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular up to the time stipulated for the holding of the 29<sup>th</sup> AGM:-

- (a) the Constitution of the Company;
- (b) the audited financial statements of the Company for the past two (2) financial years ended 30 June 2023 and 30 June 2024;
- (c) the relevant cause papers relating to material litigation referred to in paragraph 2 above; and
- (d) the material contracts referred to in paragraph 3 above.

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**APPENDIX II – EXTRACT OF RESOLUTIONS**

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**1. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE IN RESPECT OF SALE OF TRADING STOCK PROPERTIES**

"THAT approval be and is hereby given to the Company and its subsidiaries to enter into and give effect to recurrent related party transactions of a revenue or trading nature and with all classes of related parties in respect of sale of trading stock properties as stated in Section 2.4 of the Circular to Shareholders dated 30 October 2024 which are necessary for the Group's day-to-day operations subject to the following:-

- (a) the transactions are in the ordinary course of business and are carried out at arm's length basis on normal commercial terms of Malton Group (Malton and its subsidiaries) and on terms not more favourable to the related parties than those generally available to the public where applicable and not to the detriment of the minority shareholders; and
- (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 renewal of shareholders' mandate during the financial year based on the following information:-
  - (i) the type of the recurrent related party transactions made; and
  - (ii) the names of the related parties involved in the recurrent related party transactions made and their relationship with the Company.
- (c) and such approval shall be in force immediately upon passing of this resolution until:
  - (i) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
  - (ii) 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 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 the Company in a general meeting;whichever is the earliest; and the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

**2. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE IN RESPECT OF CONSTRUCTION RELATED SERVICES AND PROJECT MANAGEMENT SERVICES**

"THAT approval be and is hereby given to the Company and its subsidiaries to enter into and give effect to recurrent related party transactions of a revenue or trading nature and with related parties in respect of construction related services and project management services as stated in Section 2.4 of the Circular to Shareholders dated 30 October 2024 which are necessary for the Group's day-to-day operations subject to the following:-

- (a) the transactions are in the ordinary course of business and are carried out at arm's length basis on normal commercial terms of Malton Group (Malton and its subsidiaries) and on terms not more favourable to the related parties than those generally available to the public where applicable and not to the detriment of the minority shareholders; and
- (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 renewal of shareholders' mandate during the financial year based on the following information:-
  - (i) the type of the recurrent related party transactions made; and
  - (ii) the names of the related parties involved in the recurrent related party transactions made and their relationship with the Company.



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**APPENDIX II – EXTRACT OF RESOLUTIONS**

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- (c) and such approval shall be in force immediately upon passing of this resolution until:
  - (i) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
  - (ii) 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 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 the Company in a general meeting;

whichever is the earliest; and the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.”