

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

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused the contents of this Circular prior to its issuance as it is an exempt document pursuant to Practice Note 18 of Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

Shareholders should rely on their own evaluation to assess the merits and risks of the Proposal as set out herein



**GADANG HOLDINGS BERHAD**

*Registration No. 199301023376 (278114-K)*  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

in relation to the

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

The resolution in respect of the above proposal will be tabled as Special Business at the 27th Annual General Meeting ("AGM") of Gadang Holdings Berhad ("Gadang" or "the Company"). Notice of the AGM of the Company together with the Form of Proxy are set out in the Annual Report 2020 which are available online at the Company's website at [www.gadang.com.my/agm2020](http://www.gadang.com.my/agm2020).

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed thereon. The completed Form of Proxy must be deposited at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting. The completion and lodgement of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Monday, 9 November 2020 at 10.00 a.m.

Date and time of the AGM : Wednesday, 11 November 2020 at 10.00 a.m.

Venue of the AGM : Ballroom 3, First Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur

## DEFINITIONS

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

“Act”	:	The Companies Act, 2016, including any amendment that may be made thereto from time to time
“AGM”	:	Annual General Meeting
“Articles”	:	Articles of Association of the Company
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“Constitution”	:	The Constitution of the Company
“EGM”	:	Extraordinary General Meeting
“Family”	:	<p>In relation to a person means such person who falls within any one of the following categories:-</p> <ul style="list-style-type: none"><li>(a) Spouse;</li><li>(b) Parent;</li><li>(c) Child including an adopted child and step-child;</li><li>(d) Brother or sister; and</li><li>(e) Spouse of the person referred to in subparagraphs (c) and (d) above</li></ul>
“Gadang” or “the Company”	:	Gadang Holdings Berhad
“Gadang Group” or “the Group”	:	Gadang Holdings Berhad and its subsidiaries
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“Major Shareholder”	:	<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> <ul style="list-style-type: none"><li>(a) 10% or more of the total number of voting shares in the Company; or</li><li>(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company,</li></ul>

For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act. The Major Shareholder shall also include 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 Major Shareholder of the Company or any other company which is its subsidiary or holding company.

## DEFINITIONS (*cont'd*)

“Person(s) Connected”	:	<p>In relation to any person (referred to as “said Person”) means such person who falls under any one of the following categories:-</p> <ul style="list-style-type: none"><li>(a) a family member of the said Person;</li><li>(b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person or a family member of the said Person, is the sole beneficiary;</li><li>(c) a partner of the said Person;</li><li>(d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;</li><li>(e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;</li><li>(f) a body corporate in which the said Person, or persons connected with the said Person 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 said Person.</li></ul>
“Proposed Shareholders’ Mandate”	:	Proposed renewal of shareholders’ mandate for the Group’s existing Recurrent Related Party Transactions.
"Recurrent Related Party Transactions"	:	Transactions with Related Party involving recurrent transactions of a revenue or trading nature which are necessary for the Gadang Group’s day-to-day operations and are in the ordinary course of business of the Group.
"Related Party"	:	A director or major shareholder of the Company and/or its subsidiaries, or person connected with such director or major shareholder, who is or within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or major shareholder of the Company (or any other company which is its subsidiary or holding company).
“RM” and “sen”	:	Ringgit Malaysia and sen respectively

All references to “you” or “your” in this Circular are to the shareholders of Gadang.

In this Circular, words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

All references to time in this Circular are references to Malaysian time, unless otherwise stated.

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## **GADANG HOLDINGS BERHAD**

*Registration No. 199301023376 (278114-K)*  
(Incorporated in Malaysia)

### **Registered Office:**

Wisma Gadang, No. 52 Jalan Tago 2  
Off Jalan Persiaran Utama  
Sri Damansara  
52200 Kuala Lumpur

29 September 2020

### **Board of Directors:**

Tan Sri Dato' Seri Dr. Mohamed Ismail Bin Merican (*Chairman and Independent Non-Executive Director*)  
Tan Sri Dato' Kok Onn (*Managing Director cum Chief Executive Officer*)  
Boey Tak Kong (*Senior Independent Non-Executive Director*)  
Kok Pei Ling (*Executive Director*)  
Huang Shi Chin (*Independent Non-Executive Director*)

**To: The Shareholders of Gadang Holdings Berhad**

Dear Sir/Madam,

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

#### **1.0 INTRODUCTION**

At the 26th AGM on 6 November 2019, the Company had obtained a mandate from its shareholders to enter into Recurrent Related Party Transactions pursuant to Paragraph 10.09 of Chapter 10 of the Listing Requirements and Practice Note 12.

The said shareholders' mandate obtained at the last 26th AGM shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM unless authority for its renewal is obtained from the shareholders of the Company at the forthcoming AGM.

In connection thereto, the Company had on 4 September 2020 announced that it intends to seek shareholders' approval for a renewal of shareholder' mandate for the Group's existing Recurrent Related Party Transactions at the forthcoming AGM.

The purpose of this Circular is to provide you with the details of the Proposed Shareholders' Mandate and to seek your approval for the ordinary resolution to be tabled at the forthcoming AGM of the Company.

## **2.0 PROPOSED SHAREHOLDERS' MANDATE**

### **2.1 Provisions under the Listing Requirements**

Paragraph 10.08 of the Listing Requirements provides that where a listed issuer or any of its subsidiaries proposes to enter into a transaction which involves the interest, direct or indirect of a related party, the following provisions shall apply:-

- (i) an immediate announcement of such transaction must be made;
- (ii) if the value of the transaction is equal to or exceeds 5% of any one of the percentage ratios, the following must be complied with by the listed issuer:-
  - (a) a circular must be sent to the shareholders;
  - (b) the shareholders' approval of the transaction must be sought in general meeting; and
  - (c) an independent adviser must be appointed before terms of the transactions are agreed upon.
- (iii) if the value of the transaction is equal to or exceeds 25% of any one of the percentage ratios, a main adviser and an independent adviser approved by the Securities Commission must be appointed by the listed issuer before terms of such transactions are agreed upon.

Paragraph 10.09(2) of the Listing Requirements provides that a listed issuer may seek a shareholders' mandate in respect of related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations and are in the ordinary course of business, subject to the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of such transactions conducted pursuant to the shareholders' mandate during the financial year; and
- (c) in a meeting to obtain shareholders' mandate, interested director, interested major shareholder or interested person connected with a director or major shareholder; 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 transactions. An interested director or interested major shareholder must ensure that person connected with him abstain from voting on the resolution approving the transactions.

Where the Company has procured shareholders' mandate pursuant to paragraph 10.09(2) of the Listing Requirements, the provisions of Paragraph 10.08 of the Listing Requirements shall not apply.

### **2.2 The principal activities of the Company and its subsidiaries**

The principal activities of Gadang are the provision of management services and investment holding while its subsidiaries are principally engaged in the following core businesses:-

- (i) Engineering and construction;
- (ii) Property development;
- (iii) Mechanical and electrical engineering works;
- (iv) Water concession; and
- (v) Power concession.

The subsidiaries in the Gadang Group which are involved in the Recurrent Related Party Transactions are set out below:-

Name	Principal Activities	Effective equity interest held by Gadang
<b>Direct subsidiary company</b>		
Gadang Engineering (M) Sdn Bhd	Earthworks, building and civil engineering construction works and investment holding	100%
<b>Indirect subsidiary companies</b>		
Kartamo Corporation Sdn. Bhd.	Building and civil engineering construction works	100%
Katah Realty Sdn Bhd	Building and civil engineering construction works	100%
Gadang Construction Sdn Bhd	Earthwork, building and civil engineering construction works	100%
Gadang CRFG Consortium Sdn Bhd	Civil engineering construction works	51%

It is anticipated that the Group would, in the normal course of business, enter into transactions with the related party as set out in Section 2.3 below. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

The Board is seeking the shareholders' mandate which will allow the Group, in its normal course of business, to enter into Recurrent Related Party Transactions with the Related Party set out in Section 2.3 provided such transactions are made at arms' length and on normal commercial terms of the Group and are 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.

## 2.3 Classes of Related Parties

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

	Name of Related Party	Principal Activity	Interested director, major shareholder and person connected
1.	Mr Kok Khim Boon	Sub-contractor	Tan Sri Dato' Kok Onn ( <i>being interested director and major shareholder</i> )  Sumber Raswira Sdn Bhd and Meloria Sdn Bhd ( <i>being the major shareholders in which Tan Sri Dato' Kok Onn has substantial interest</i> )

### Relationships with Related Party:

- (1) Mr Kok Khim Boon is the brother of Tan Sri Dato' Kok Onn ("TSDKO") who is the Managing Director cum Chief Executive Officer and a major shareholder of Gadang.

Ms Kok Pei Ling ("KPL"), the Executive Director of Gadang, is a daughter of TSDKO. Hence, KPL and TSDKO are Persons Connected with each other.

## 2.4 Nature of Recurrent Related Party Transactions

The details of the nature and estimated value of the Recurrent Related Party Transactions in respect of which the Company is seeking renewal of mandate from its shareholders as contemplated under the Proposed Shareholders' Mandate are as follows:-

Related party	Company in the Group involved	Nature of Transactions	Estimated value from this AGM to the next AGM *
Mr Kok Khim Boon	Gadang Group	Provision of subcontract works by Mr Kok Khim Boon	RM27,500,000

*Note:*

\* *The estimated value is mainly based on the management forecast of the anticipated projects to be secured and the projects that have been undertaken. The estimated value is subject to changes and may differ from the actual value of the transactions.*

## 2.5 Review Procedures For Recurrent Related Party Transactions

The Gadang Group will implement the following procedures to ensure that the Recurrent Related Party Transactions are based on normal commercial terms consistent with Gadang usual business practices and policies and 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:-

1. The subsidiaries of Gadang will be notified of the Related Party and will be required to ensure that all the Recurrent Related Party Transactions are to be undertaken on an arm's length basis and on normal commercial terms prior to entering into such transactions;
2. The Risk Manager will carry out the review of the Recurrent Related Party Transactions entered into pursuant to the shareholders' mandate on a quarterly basis to ensure that relevant approvals have been obtained and that the procedures in respect of the Recurrent Related Party Transactions have been adhered to;
3. Records will be maintained to capture all Recurrent Related Party Transactions which are entered into pursuant to the shareholders' mandate;
4. The Board of Directors and Audit Committee shall review the Recurrent Related Party Transactions on a quarterly basis to ascertain that the guidelines and procedures established to monitor the Recurrent Related Party Transactions have been complied with;
5. The Board of Directors and the Audit Committee shall be responsible for the determination of the review procedures, including the addition of new procedures where applicable and when required, with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate. If a member of the Board of Directors or Audit Committee has an interest, he or she will abstain from any decision making by the Board of Directors or Audit Committee in respect of the said transaction;
6. The tender/negotiated and award method will be used to determine the transaction price for provision of subcontract works. Tenders or quotations are invited for subcontract works and they are evaluated based on pricing as well as among others, experience, technical and financial capabilities of the subcontractors; and



7. The management of Gadang will ensure that at least two (2) other contemporaneous transactions with unrelated third parties for similar services will be used as comparison, wherever possible, to determine whether the price and terms offered by the Related Party are fair and reasonable and comparable to those offered by other unrelated third parties for the same or substantially similar type of services. For subcontracting works up to RM50,000, there must be a minimum of 2 quotations and for those exceeding RM50,000, there must be a minimum of 3 quotations. Where there is no similar or substantially similar nature of transactions between Gadang and its subsidiaries and unrelated third parties; the price, terms and conditions of the transactions for the services will be in accordance with applicable industry norm, prevailing commercial rates and will not be detrimental to Gadang or the Group.

## **2.6 Validity Period of the Proposed Shareholders' Mandate**

The Proposed Shareholders' Mandate, if approved at the forthcoming AGM, will continue to be in force until:-

- (i) the conclusion of the next annual general meeting of Gadang following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the general meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM after the 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 the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting.

whichever is the earlier.

Approval from the shareholders will thereafter be sought for the renewal of the Proposed Shareholders' Mandate at each subsequent AGM subject to satisfactory review by the Audit Committee of the Company of its continued application to related party transactions.

## **2.7 Disclosure**

Disclosure will be made in the Company's Annual Report of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year, and in the Annual Reports for subsequent financial years that the Proposed Shareholders' Mandate continues to be in force. In making such disclosure, a breakdown will be provided of the aggregate value of the Recurrent Related Party Transactions made during the financial year, amongst others, based on the following information:-

- (a) the type of the 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 Company.

## **2.8 Existing Mandate on Recurrent Related Party Transactions**

Set out below is the actual value transacted for each Recurrent Related Party Transactions entered into by Gadang Group with the Related Parties from 6 November 2019, the date on which the existing mandate was obtained, up to 28 August 2020, being the latest practical date before the printing of this Circular ("Actual Value") together with the estimated value as disclosed in the Circular to Shareholders dated 27 September 2019 ("Estimated Value").

Related party	Nature of Transactions	Actual Value RM	Estimated Value RM
Mr Kok Khim Boon	Provision of subcontract works by Mr Kok Khim Boon	12,517,917	27,500,000

## 2.9 Threshold of Authority

There are no specific thresholds for approval of Recurrent Related Party Transactions within Gadang Group. However, all Recurrent Transactions are subject to the approval of the appropriate levels of authority as determined by the Board. Where any Director has an interest (direct or indirect) in any Recurrent Transactions, such Director shall abstain from deliberation and voting on the matter. If it is determined that the guidelines and/or procedures stated in Section 2.5 of this Circular are inadequate to ensure that:-

- (i) Recurrent Transactions will be conducted at arms' length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (ii) such transactions are not to the detriment of the minority shareholders of the Company or prejudicial to the interests of the shareholders,

the Company will obtain a fresh shareholders' mandate.

## 2.10 Amount Due and Owing By Related Parties

As at the financial year ended 31 May 2020, there is no outstanding amount due and owing by the Related Party which has exceeded the credit term.

## 3.0 AUDIT COMMITTEE STATEMENT

The Audit Committee of the Company has seen and reviewed the procedures mentioned in Section 2.5 and is of the view that:

- (i) the said procedures are sufficient to ensure that the Recurrent Related Party Transactions are not more favourable to related party than those generally available to the public and are not to the detriment of the minority shareholders; and
- (ii) Gadang and its subsidiaries have in place adequate procedures to monitor, track and identify Recurrent Transactions in a timely and orderly manner, and such procedures and processes are reviewed on a yearly basis or whenever the need arises.

## 4.0 RATIONALE FOR THE PROPOSED SHAREHOLDERS' MANDATE

### 4.1. Rationale

The Proposed Shareholders' Mandate would eliminate the need to convene a separate general meeting from time to time to seek shareholders' approval as and when the Recurrent Related Party Transaction is equal to or exceeds the 5% percentage ratio (as described in paragraph 10.04 of the Listing Requirements), thereby reducing substantially the administrative time, inconvenience and expenses associated with the convening of such meetings.

The Proposed Shareholders' Mandate is intended to facilitate transactions with related party which are in the ordinary course of business of the Group, which are carried out at arm's length and on normal commercial terms, on terms not more favourable to the related party than those generally available to the public, which are not, in the Company's opinion, detrimental to the minority shareholders.

#### 4.2. Benefits

Gadang has a long and good working relationship with the related party who has performed reliably in subcontract works awarded to them. The subcontract works provided by him are also priced competitively.

### 5.0 EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will not have any effect on the issued share capital, the shareholdings of the substantial shareholders, net assets and earnings of Gadang.

### 6.0 CONDITIONS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate is subject to the approval being obtained from the shareholders of the Company at the forthcoming AGM.

### 7.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save as disclosed below, none of the other Directors and/or major shareholders and/or persons connected with them has any interest, direct or indirect, in the Proposed Shareholders' Mandate.

#### 7.1. Interest of Directors

The Directors deemed interested in the Proposed Shareholders' Mandate are disclosed below:-

Name	←----- Shareholdings as at 7 September 2020 -----→			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Tan Sri Dato' Kok Onn	13,177,300	1.81	177,989,953 <sup>(a)</sup>	24.45
Kok Pei Ling <sup>(b)</sup>	1,304,400	0.18	-	-

Note:

(a) Deemed interested by virtue of his interests in Sumber Raswira Sdn Bhd and Meloria Sdn Bhd pursuant to Section 8 of the Act.

(b) Kok Pei Ling ("KPL"), the Executive Director of Gadang, is a daughter of Tan Sri Dato' Kok Onn ("TSDKO"). Hence, KPL and TSDKO are Persons Connected with each other.

The abovementioned interested Directors have accordingly abstained and/or will continue to abstain from Board deliberation and voting on the resolution relating to the Proposed Shareholders' Mandate. The abovementioned interested Directors will also abstain from voting in respect of their direct and indirect shareholdings on the resolution relating to the Proposed Shareholders' Mandate at the forthcoming AGM. The interested Directors further undertake that they will ensure that the Persons Connected with them will abstain from voting in respect of their direct or indirect shareholdings, if any, on the resolution relating to the Proposed Shareholders' Mandate at the AGM to be convened.

## 7.2. Interest of Major Shareholders

The major shareholders deemed interested in the Proposed Shareholders' Mandate are disclosed below:-

Name	←----- Shareholdings as at 7 September 2020 -----→			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Sumber Raswira Sdn Bhd	81,525,402	11.20	-	-
Meloria Sdn Bhd	96,464,551	13.25	-	-
Tan Sri Dato' Kok Onn	13,177,300	1.81	177,989,953 <sup>(a)</sup>	24.45
Puan Sri Datin Chan Ngan Thai	-	-	96,464,551 <sup>(b)</sup>	12.01

Note:

(a) Deemed interested by virtue of his interests in Sumber Raswira Sdn Bhd and Meloria Sdn Bhd pursuant to Section 8 of the Act.

(b) Deemed interested by virtue of her interest in Meloria Sdn Bhd pursuant to Section 8 of the Act.

The abovementioned interested major shareholders of the Company will abstain from voting, in respect of their direct and indirect shareholdings, on the resolution relating to the Proposed Shareholders' Mandate at the forthcoming AGM. The interested major shareholders further undertake that they will ensure that the Persons Connected with them will abstain from voting in respect of their direct or indirect shareholdings, if any, on the resolution relating to the Proposed Shareholders' Mandate at the AGM to be convened.

## 8.0 DIRECTORS' RECOMMENDATION

Your Directors, except Tan Sri Dato' Kok Onn and Ms Kok Pei Ling, having considered all aspects of the Proposed Shareholders' Mandate, are of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Company.

With the exception of Tan Sri Dato' Kok Onn and Ms Kok Pei Ling, who are interested in the Proposed Shareholders' Mandate and have refrained from making any recommendations in respect of this resolution, your Directors recommend that you vote in favour of the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

## 9.0 AGM

The AGM, the notice of which is available on the Company's website at [www.gadang.com.my/agm2020](http://www.gadang.com.my/agm2020), is scheduled to be held at Ballroom 3, First Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 11 November 2020 at 10.00 a.m., for the purpose of considering and, if thought fit, approving, inter alia, the ordinary resolution on the Proposed Shareholders' Mandate, as Special Business.

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the Form of Proxy (available on the Company's website at [www.gadang.com.my/agm2020](http://www.gadang.com.my/agm2020)) in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting. The completion and lodgement of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

## **10.0 FURTHER INFORMATION**

Shareholders are advised to refer to the attached Appendix I for further information.

Yours faithfully

For and on behalf of the Board of Directors of  
**GADANG HOLDINGS BERHAD**

**TAN SRI DATO' SERI DR. MOHAMED ISMAIL BIN MERICAN**  
Independent Non-Executive Chairman

## APPENDIX I - ADDITIONAL INFORMATION

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### 1. Responsibility Statement

This Circular has been seen and approved by the Board of Directors of Gadang and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular 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 misleading.

### 2. Material Contracts

There are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by Gadang and/or its subsidiaries within the two (2) years preceding the date of this Circular.

### 3. Material Litigation

As at the date of this Circular, the Gadang Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant or otherwise in any legal action, proceeding or arbitration or is being prosecuted for any criminal offence and the Directors of the Company have no knowledge of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position of the business of the Gadang Group.

### 4. Documents for Inspection

The following documents are available for inspection at Gadang's Registered Office at Wisma Gadang, No. 52, Jalan Tago 2, Off Jalan Persiaran Utama, Sri Damansara, 52200 Kuala Lumpur, during normal office hours (except for public holidays) from the date of this Circular to the date of the AGM: -

- (i) The Constitution of Gadang; and
- (ii) The audited consolidated financial statements of Gadang for the last two (2) financial years ended 31 May 2019 and 31 May 2020.

## **APPENDIX II - EXTRACT OF THE NOTICE OF 27<sup>TH</sup> ANNUAL GENERAL MEETING**

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### **ORDINARY RESOLUTION**

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

“**THAT**, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries (“Gadang Group”) to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.4 of the Circular to Shareholders dated 29 September 2020 (“Circular”) with the related party listed in Section 2.3 of the Circular which transactions are necessary for the day-to-day operations, in the ordinary course of business of Gadang Group 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;

THAT such authority shall commence immediately upon the passing of this resolution and 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 renewed by a resolution passed at that meeting;
- (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 of the Company in a general meeting;

whichever is the earlier;

AND THAT, the Directors and/or any of them be and are hereby authorized 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 authorized by this resolution.”