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

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SHAREHOLDERS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISK OF THE PROPOSAL SET OUT HEREIN.



Registration No: 200901014295 (857363 U)
(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 resolution in respect of the above proposal will be tabled as Special Business at the Twelfth ("**12th**") Annual General Meeting ("**AGM**") of Widad Group Berhad ("**Widad**" or the "**Company**") which will be conducted fully virtual at the Broadcast Venue at WBG Penthouse, Widad Semantan (WiSe), No. 3, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur on Tuesday, 29 June 2021 at 3.00 p.m. The Notice of the 12th AGM of the Company together with the Administrative Guide, Form of Proxy and Requisition Form are set out in the Notice Booklet.

The Form of Proxy must be completed and deposited at the Company's Registered Office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or email to AGM-support.Widad@megacorp.com.my not less than forty-eight (48) hours before the time fixed for the 12th AGM. The lodging of the Form of Proxy will not preclude you from attending and voting at the 12th AGM should you subsequently decide to do so.

Last date and time for lodging the Form of Proxy : Sunday, 27 June 2021 at 3.00 p.m

Date and time of the 12th AGM : Tuesday, 29 June 2021 at 3.00 p.m

This Circular is dated 28 May 2021

DEFINITIONS

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

Act	- Companies Act, 2016 and any amendments made thereto from time to time
AGM	- Annual General Meeting
Board	- The Board of Directors of Widad
Bursa Securities	- Bursa Malaysia Securities Berhad, Registration No. 20030103357 (635998-W)
Circular	- This circular dated 28 May 2021 in relation to the Proposed Renewal of Shareholders' Mandate.
CMSA	- Capital Markets and Services Act 2007, as amended, supplemented or modified from time to time
Constitution	- Constitution of Widad
Directors	- Shall have the same meaning given in Section 2(1) of the CMSA. For the purpose of the Proposed Shareholders' Mandate shall include 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 director or a chief executive of the Company, its subsidiary or holding company, in accordance with the definition of the Listing Requirements
EPS	- Earnings per share
Listing Requirements	- ACE Market Listing Requirements of Bursa Securities
LPD	- 7 May 2021, being the latest practicable date prior to the printing of this Circular
Major Shareholders	<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 such 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" shall have the meaning of "interest in shares" given in Section 8 of the Act and for the purpose of the Proposed Shareholders' Mandate, a Major Shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of the company or any other corporation which is its subsidiary or holding company</p>
NA	- Net asset

Person(s) Connected	<ul style="list-style-type: none"> - in relation to any person (referred to as “said Person”) means such person who falls under any one of the following categories: <ul style="list-style-type: none"> (a) a family member of the said Person; (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; (c) a partner of the said Person; (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; (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; (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 (g) a body corporate which is a related corporation of the said Person.
Proposed Renewal of Shareholders’ Mandate	<ul style="list-style-type: none"> - Proposed renewal of shareholders’ mandate for Widad to enter into Recurrent Transactions of a revenue or trading nature as set out in this Circular
Puan Sri Jamilah	<ul style="list-style-type: none"> - Puan Sri Jamilah Binti Mahamad Isa
Recurrent Transaction(s)	<ul style="list-style-type: none"> - A recurrent related party transaction of a revenue or trading nature which is necessary for the day-to-day operations of the Group and has been made or will be made in the ordinary course of the Group’s business
Related Party(ies)	<ul style="list-style-type: none"> - Director, Major Shareholder or Person Connected with such Director or Major Shareholder of Widad
RM	<ul style="list-style-type: none"> - Ringgit Malaysia
Shares	<ul style="list-style-type: none"> - Ordinary share(s) in Widad
Tan Sri Ikmal	<ul style="list-style-type: none"> - Tan Sri Muhammad Ikmal Opat Bin Abdullah
WBG	<ul style="list-style-type: none"> - Widad Business Group Sdn Bhd, Registration No. 200201034715 (602380-P)
WBSB	<ul style="list-style-type: none"> - Widad Builders Sdn. Bhd., Registration No. 200101000816 (536572-D)
WCNSB	<ul style="list-style-type: none"> - Widad Concession Sdn. Bhd., Registration No. 202001007058 (1363378-X)
SHSB	<ul style="list-style-type: none"> - Serendah Heights Sdn. Bhd., 201001003175 (887756-D)
WIDAD or Company	<ul style="list-style-type: none"> - Widad Group Berhad, Registration No. 200901014295 (857363-U)
WIDAD Group or Group	<ul style="list-style-type: none"> - Widad and its subsidiary, collectively

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 Circular 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 Circular shall be a reference to Malaysian time, unless otherwise specified.

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Registration No. 200901014295 (857363 U)
(Incorporated in Malaysia)

Registered Office:
Level 15-2
Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

28 May 2021

Directors,

Dato' Dr. Mohd Rizal Bin Mohd Jaafar (*Group Managing Director*)
Mr. Tung Ghee Meng (*Independent Non-Executive Director*)
Mr. Ong Kuan Wah (*Independent Non-Executive Director*)
En. Nor Adha Bin Yahya (*Independent Non-Executive Director*)
Jen Tan Sri Dato' Sri Zulkiple Bin Hj Kassim (B) (*Independent Non-Executive Director*)

To: **Shareholders of Widad**

Dear Sir/Madam,

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

1. INTRODUCTION

On 25 May 2021, the Board announced the Company's intention to seek the approval of the shareholders for the Proposed Renewal of Shareholders' Mandate.

The purpose of this letter is to provide you with the relevant information on the Proposed Renewal of Shareholders' Mandate and to seek your approval for the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 12th AGM. The notice of the forthcoming 12th AGM, Administrative Guide, Form of Proxy and Requisition Form set out in the Notice Booklet has been dispatched to the eligible shareholders. This Circular is made available at <https://www.widadgroup.com>.

YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR INCLUDING THE APPENDIX CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING 12th AGM.

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

2.1 INTRODUCTION

Rule 10.09(2) of the Listing Requirements allow Widad to seek a mandate from the shareholders for Recurrent Transactions, subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favorable 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 threshold below in relation to a listed corporation with a share capital of RM60.0 million and above:
 - (i) the consideration, value of the assets, capital outlay or cost of the Recurrent Transactions aggregated transactions is equal to or exceeds RM1 million; or
 - (ii) the percentage ratio of such Recurrent Transaction are 1% or more, whichever is the higher;
- (c) Widad's circular to the shareholders for the shareholders' mandate includes such information as may be prescribed by Bursa Securities;
- (a) in a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder or Person Connected to such interested 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 Recurrent Transactions. An interested Director or interested Major Shareholder must ensure that Persons Connected with them abstain from voting on the resolution approving the Recurrent Transactions; and
- (b) Widad immediately announces to Bursa Securities when the actual value of Recurrent Transactions entered into by the listed corporation, exceeds the estimated value of the Recurrent Transactions disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders at the forthcoming 12th AGM, will take effect from the date of the said 12th AGM until:

- (i) the conclusion of the next AGM following the forthcoming 12th AGM at which the Proposed Renewal of Shareholders' Mandate is passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM;
- (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2)(b) 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 shareholders in a general meeting, whichever is earlier;

Thereafter, approval from the shareholders for renewal of the mandate will be sought at each subsequent AGM of the Company.

Accordingly, the Board proposes to seek the shareholders' approval for the Proposed Renewal of Shareholders' Mandate as detailed in Section 2.4 of this Circular at the 12th AGM to be held on 29 June 2021, to enable the Company and/or its subsidiaries to enter into Recurrent Transactions with the Related Party, which are necessary for the day-to-day operations of Widad Group.

Such transactions will be made on terms which are 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 Widad.

2.2 Principal Activities of Widad Group

The Company is principally an investment holding company and provides management services to its subsidiaries. The principal activities of the subsidiaries as at the LPD are set out in the table below: -

Name of Company	Effective interest (%)	Principal Activities
WBSB	100%	Construction and integrated facilities management activities
Widad Green Sdn. Bhd.	100%	Waste management services
Widad Rail Sdn. Bhd.	100%	Rail industry
Widad Concession Sdn. Bhd.	100%	Investment holding and general management services
Serendah Heights Sdn. Bhd.	100%	Investment holding and general management services
Widad Energy Sdn. Bhd.	100%	Renewable Energy
Widad Master Sdn. Bhd.	100%	Investment holding and general management services
Subsidiaries of WBSB		
- Widad Capital Sdn. Bhd	100%	Special purpose vehicle
- Widad Facility Management Sdn. Bhd.	100%	Provision of integrated facilities management activities
Subsidiary of WCNSB		
- Innovative City Holdings Sdn. Bhd.	100%	Investment holding and general management services
Subsidiary of SHSB		
- YBK Usahasama Sdn. Bhd.	100%	Concession Business

2.3 Classes of the Related Parties

The Company proposes to seek shareholders' approval for the Proposed Renewal of Shareholders' Mandate for the Group to enter into transactions in the normal course of business within the classes of Related Parties as set out below, provided such transactions are entered into 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 to the detriment of the minority shareholders. Such mandate will enable the Group to enter into Recurrent Transactions without the necessity, in most instances, to make the otherwise required announcement or to convene meetings in order to procure specific prior approval of its shareholders. The Recurrent Transactions will also be subject to the review procedures set out in Section 2.6 below.

The principal activities of the Related Parties are as follows:

Related Parties	Effective interest (%)	Principal activities
WBG	-	Investment holding and general trading
Subsidiaries of WBG		
- Wardah Communication Sdn. Bhd. ("WCSB")	100%	General printing and publishing business
- WBG Power Sdn. Bhd. (formerly known as Wardah Abagas Ventures Sdn. Bhd.)	100%	General trading
- Wardah Properties Sdn. Bhd.	100%	Property investment & management
- WBG Resources Sdn. Bhd (formerly known as Widad Mega Sdn. Bhd.)	100%	General trading and supply
- Widad Aero Sdn. Bhd. ("WASB")	100%	Aerospace services
- Widad Agrofarm Sdn. Bhd.		Agrofarm
- Widad Land Sdn. Bhd.	100%	Property development
- Tristar Bay Sdn. Bhd.	60%	Property development
- Widad Education Sdn. Bhd. ("WESB")	100%	Educational centre
- Langkasuka Land Sdn. Bhd.	100%	Investment holding, management consultant and property development
- Widad Skycore (M) Sdn. Bhd.	100%	Investment holding and aircraft industry
- WBG Mining Sdn. Bhd.	100%	Mining Activities
- WBG Mineral Sdn. Bhd.	100%	Mineral Extraction Activities
- Widad East Coast Sdn. Bhd.	100%	Investment holding, management consultant and property development
- WBG Capital Sdn. Bhd.	100%	Investment holding and general management services
- Widad BZI Sdn. Bhd.	50%	Investment holding, management consultant and property development

- Arriz Abadi Sendirian Berhad ("AASB")	40%	Construction
- Widad Wazan Hydro (Bera) Sdn. Bhd.	80%	Construction of hydropower plant and energy power provider.
Subsidiary of WASB		
- Widad Aerotree Sdn. Bhd.	100%	Investment holding and aircraft industry
Subsidiary of WESB		
- Widad Skill Development Sdn. Bhd	100%	Development of knowledge and skills
Subsidiary of WCSB		
- Dataprep Holdings Bhd ("Dataprep")	44.81%	Investment holding and provision of management services to subsidiaries
-		
Subsidiaries of Dataprep		Provision of information technology ("IT") outsourcing and managed services
- Dataprep (Malaysia) Sdn Berhad	100%	
- Solsis (M) Sdn Bhd	100%	Provision of computer hardware, network services, applications and contact centre
- Solsisnet Sdn Bhd	100%	Provision of networking equipment, services and training
- Dataprep Payment Solutions Sdn Bhd	100%	Provision of information technology services and secured payment solutions
- Ridaa Associates Sdn Bhd	51%	Provision of selling multimedia goods, hardware and other multimedia components electronic, mechanical and electrical contractor
- Asia Solutions Centre Sdn Bhd	51%	Provision of information technology services and general trading
- Asia Biomed Centre Sdn Bhd	51%	Stores specialised in retail sale of pharmaceuticals, medical and orthopaedic goods and other business support service activities
- Instant Office Sdn. Bhd.	100%	Dormant
- 88 Daiman Sdn. Bhd.	100%	Dormant
- Tamadun Interaktif Sdn Bhd	70%	Dormant
- Dataprep (HK) Limited	100%	Dormant
- Dataprep (Beijing) Limited	100%	Dormant
- Dataprep International (Labuan) Ltd	100%	Investment holdings
- PT Dataprep Technology Indonesia	65%	Sales and marketing of ICT products, software and services
- DP Kyoto Tech Middle East Limited	51%	Provision of education technologies, infrastructure, network and support services (presently dormant)

Vertical Engineering Sdn. Bhd. ("VESB")	-	Construction
KNS Money Changer Sdn. Bhd. ("KMSB")	-	Money changer
Opat Holdings Sdn. Bhd. ("OHSB")	-	Activities of holding companies
Infra Enigma Sdn. Bhd. ("IESB")	-	General trading in oil and gas tools, parts and supplies
Arriz Abadi Sdn. Bhd.	-	Construction
Azro Construction Sdn. Bhd. ("ACSB")	-	Construction
Ghanim Alam Holdings Sdn. Bhd. ("GAHSB")	-	Construction, multimedia and filming
Global Mahawangsa Sdn. Bhd. ("GMSB")	-	Investment holding, general trading, multimedia and filming, and property development
Crystal Solaris Sdn. Bhd. ("CSSB")	-	Investment holding, general trading and property development
Smart Paradigm Sdn. Bhd. ("SPSB")	-	Investment holding, general trading and property development
WBG Hornbill Holdings Sdn. Bhd. ("WHHSB")	-	Investment holding, general trading and property development
WBG East Holdings Sdn. Bhd. ("WESB")	-	Investment holding, general trading and property development
Widad Healthcare Specialist Sdn. Bhd. ("WHSSB")	-	Hospital activities, Physiotherapy and occupational therapy service and Stores specialized in retail sale of pharmaceuticals, medical and orthopaedic goods
Widad THB Resources Sdn. Bhd. ("WTRSB")	-	Construction of buildings, Landscape care and maintenance service activities and Purification and distribution of water for water supply purposes
Kampong Bharu City Centre Sdn. Bhd. ("KBCC")	-	Activities of holding companies
Atama Builders Sdn. Bhd. ("ABSB")	-	Construction
Widad Langkasuka Sdn. Bhd. ("WLSB")	-	Investment holding, management consultant and property development
Opat Capital Sdn. Bhd. ("OCSB")	-	Activities of holding companies
Subsidiary of OCSB - Widad Hospitality Management Sdn. Bhd.	100%	Hospitality management services

2.4 Details of the Recurrent Transactions

The Recurrent Transactions which are covered by the Proposed Renewal of Shareholders' Mandate are set out in the table below:-

No.	Subsidiaries Companies of Widad	Name of Related Party	Nature of Transaction	Names of Interested Directors(s) / Major Shareholder(s) / Person(s) Connected in Widad	Estimated value for the period from this AGM to the next AGM* (RM'000)	Estimated value disclosed in the preceding year's circular (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
1	Widad Group	WBG and its subsidiaries	Provision of construction and integrated facilities management services ^(a) by Widad to WBG and its subsidiaries	WBG is a controlling shareholder of Widad. Tan Sri Ikmal is a controlling shareholder of WBG. Puan Sri Jamilah is a person connected with Tan Sri Ikmal, a substantial shareholder and also a director of WBG. Dato' Dr. Mohd Rizal Mohd Jaafar is a director of WBG and some of the subsidiaries of WBG.	(b)	(b)	(b)
2.	WBSB	Dataprep	Rental of office space to Dataprep ^(c)	WCSB is the controlling shareholder of Dataprep and a wholly-owned subsidiary of WBG. Tan Sri Ikmal is deemed interested in Dataprep via his major shareholding in WBG. Puan Sri Jamilah is a person connected with Tan Sri Ikmal and she is also a shareholder of WBG. Dato' Dr. Mohd Rizal Bin Mohd Jaafar is a director of WBG, Dataprep and some of the subsidiaries of WBG.	588	773	343
			Provision of ICT and ICT related services, solutions and trading of products from Dataprep and its subsidiaries		500	50	14
			Trading of products namely supply and install of security system such as fingerprint system) and supply of hardware (computer and computer peripheral, printer) and software (accounting system and project management system) between Dataprep (supplier) and WBSB (purchaser)		(b)	(b)	-

2.4 Nature of Recurrent Transactions (Cont'd)

No.	Subsidiaries Companies of Widad	Name of Related Party	Nature of Transaction	Names of Interested Directors(s) / Major Shareholder(s) / Person(s) Connected in Widad	Estimated value for the period from this AGM to the next AGM* (RM'000)	Estimated value disclosed in the preceding year's circular (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
3	Widad Group	VESB	Provision of construction and integrated facilities management services ^(a) by Widad Group to VESB, AASB, ACSB, GMSB, CSSB, SPSB, GAHSB, IESB, OHSB, WTRSB AND KBCCSB	Isyraf Widad Bin Muhammad Ikmal Opat is the only shareholder of VESB. He is a son of Tan Sri Ikmal and therefore, he is a person connected with Tan Sri Ikmal.	(b)	(b)	-
4.		AASB		Puan Sri Jamilah is the major shareholder of AASB and she is a person connected with Tan Sri Ikmal	(b)	(b)	-
5.		ACSB		Ilham Widad Bin Muhammad Ikmal Opat and Datuk Cham Nong A/L Aliap are the directors and major shareholders of ACSB. Ilham Widad Bin Muhammad Ikmal Opat is a son of Tan Sri Ikmal and therefore, he is a person connected to Tan Sri Ikmal. Whereas, Datuk Cham Nong A/L Aliap is a brother of Tan Sri Ikmal, and therefore, he is a person connected with Tan Sri Ikmal.	(b)	(b)	-
6.		GMSB, CSSB and SPSB		Datuk Cham Nong A/L Aliap is a director and major shareholder of GMSB, CSSB and SPSB. He is a brother of Tan Sri Ikmal and therefore, he is a person connected with Tan Sri Ikmal.	(b)	(b)	-
7.		GAHSB		Anan A/L Aliap is the director and major shareholder of GAHSB. He is a brother of Tan Sri Ikmal and therefore, he is a person connected to Tan Sri Ikmal.	(b)	(b)	-
8.		IESB		Tan Sri Ikmal is deemed interested in WIDAD via his major shareholding in WBG. He is also a director of IESB. Isyraf Widad Bin Muhammad Ikmal Opat and Ilham Widad Bin Muhammad Ikmal Opat are shareholders and Ilham Widad Bin Muhammad Ikmal Opat is the director of IESB. They are the son of Tan Sri Ikmal and therefore, they are persons connected with Tan Sri Ikmal.	(b)	(b)	-

2.4 Nature of Recurrent Transactions (Cont'd)

No.	Subsidiaries Companies of Widad	Name of Related Party	Nature of Transaction	Names of Interested Directors(s) / Major Shareholder(s) / Person(s) Connected in Widad	Estimated value for the period from this AGM to the next AGM* (RM'000)	Estimated value disclosed in the preceding year's circular (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
9	Widad Group (cont'd)	OHSB		Tan Sri Ikmal is deemed interested in WIDAD via his major shareholding in WBG. He is also a director and shareholder of OHSB.	(b)	(b)	-
10.		WTRSB		Tan Sri Ikmal is deemed interested in WIDAD via his major shareholding in WBG. He is also a director and shareholder of WTRSB.	(b)	(b)	-
11.		KBCCSB		Tan Sri Ikmal is deemed interested in WIDAD via his major shareholding in WBG. He is also a director and shareholder of KBCCSB.	(b)	(b)	-
12.		ABSB		Isyraf Widad Bin Muhammad Ikmal Opat is the director of ABSB. He is the son of Tan Sri Ikmal and therefore, they are persons connected with Tan Sri Ikmal.	(b)	(b)	-
13.		OCSB		Tan Sri Ikmal is deemed interested in WIDAD via his major shareholding in WBG. He is also a director and shareholder of OCSB	(b)	(b)	-

Notes:

- (a) The scope of Widad Group 's construction activities includes, amongst others, the infrastructure works (such as design, construction, completion, maintenance and upgrading of roads, bridges, sewerage treatment plants, water distribution systems and dams) and civil works (such as construction of low and high-rise buildings for a variety of uses).

Widad Group 's integrated facilities management is an interdisciplinary field dedicated to the co-ordination of space, infrastructure, people and organisations of, among others, office blocks schools, convention centres and hotels. It involves the provision of management, operations and maintenance services, which can be categorised into scheduled maintenance, ad hoc maintenance, upgrading and renovation. The scope of the services includes amongst others:

- Property management
- Interior and exterior building cleaning
 - Hard and soft landscaping
 - Security and monitoring
 - Pest and hygiene control
 - Garbage disposal services
 - Swimming pool maintenance

Mechanical and electrical	<ul style="list-style-type: none"> • Air-conditioning system • Fire prevention system • Electrical and lighting systems • Lifts, escalators and walkalators
Civil and structural	<ul style="list-style-type: none"> • Civil engineering works • Building works • Mechanical sanitary and water engineering works • Jungle clearing and land preparation • Specialist civil engineering works

- (b) The estimated value of the transactions cannot be determined as the nature of the transactions are based on the composition of the project and the value varies between the projects.
- (c) Office located at Level 7 & 8, Widad Semantan, No. 3 Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur with a total area of 14,000 square feet at a rental rate of RM49,000 per month or RM3.50 per square feet. The rental is for a duration of 2 years commencing 1st August 2020 and with an option to extend for another year. The payment of rental is on monthly basis.

* The estimated values are based on the expected value of the transactions to be entered into with Related Parties and the estimates of the management based on the information available at the time of decision making. The estimated value may vary and subject to changes.

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2.5 Amount due and owing by the Related Parties

As at the LPD, there is no outstanding amount due and owing by the Related Parties which have exceeded the credit term.

2.6 Review Procedures for the Recurrent Transactions

Widad Group has established procedures to ensure that the Recurrent Transaction(s) are undertaken on transaction prices and on normal commercial terms that are consistent with the Group's usual business practices and policies which, are not more favourable to the Related Party than those extended to the public and are not to the detriment of the minority shareholders of Widad.

There is no specific threshold for approval of Recurrent Transaction(s) within the Widad Group as all Recurrent Transaction(s) are subject to the approval of the Board. Where any Director has any interest (direct or indirect) in any Recurrent Transaction(s), such Director shall abstain from deliberation and voting on the matter. If it is determined that the guidelines and/or procedures stipulated below are inadequate, Widad will obtain a fresh shareholders' mandate to ensure that:

- (a) Recurrent Transaction(s) will be undertaken on transaction prices and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (b) such transaction(s) will not be detrimental to the minority shareholders of Widad or prejudicial to the interests of the shareholders.

The review procedures established by Widad Group for Recurrent Transaction(s) are as follows:

- (i) wherever practicable at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services, and/or quantities will be used as comparison, where possible to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities;
- (ii) where quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined based on usual business practice to ensure that the Recurrent Transaction(s) is not detrimental to the Group. To monitor, track and identify the Recurrent Transaction(s), the following review procedures have been implemented:
 - (a) a register is maintained to record all Recurrent Transaction(s) which are entered into pursuant to the Proposed Shareholders' Mandate; and
 - (b) the Audit Committee will undertake a yearly review of the Recurrent Transaction(s) to ensure that such transactions are at all times carried out on commercial terms consistent with Widad' usual business practices and policies;
- (iii) all members of the Board and/or Audit Committee who are directly or indirectly interested in such transactions shall declare their interest thereon and shall abstain from any deliberation or voting in respect of any related party transaction;
- (iv) the Audit Committee shall have the right to access for information and shall be entitled to the services of independent advisers, if required in the discharge of its duties; and
- (v) all Recurrent Transaction(s) shall be disclosed to the Audit Committee on a quarterly basis with details of the transactions.

2.7 Statement by the Audit Committee

The Audit Committee has seen and reviewed the procedures in Section 2.6 of this Circular and are of the view that the said procedures are sufficient to ensure that the Recurrent Transactions are not more favorable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

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 Recurrent Transactions in a timely and orderly manner. The Audit Committee's review of these procedures and processes will be conducted on a quarterly basis together with the review of quarterly results, or such frequency as the audit committee considers appropriate having regard to the value and the frequency of the Recurrent Transactions.

3. RATIONALE OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Recurrent Transactions entered or to be entered into by the Group with the Related Parties are all in the ordinary course of business. They are recurrent transactions of a revenue or trading nature, which are likely to occur with some degree of frequency and arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval on a case to case basis before entering into such related party transactions. Therefore, the Board is seeking an approval from the shareholders for the Proposed Renewal of Shareholders' Mandate pursuant to Rule 10.09 of the Listing Requirements to allow the Group to enter into such Recurrent Transactions made on an arm's length basis and on normal commercial terms.

The obtaining of shareholders' approval for the Proposed Renewal of Shareholders' Mandate on an annual basis would eliminate the need to convene separate general meetings from time to time to seek shareholders' approval and when potential Recurrent Transactions with the Related Parties arise, thereby reducing substantially administrative time, inconvenience and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

The Recurrent Transactions of a revenue or trading nature undertaken within the Group are mainly to support its day-to-day operations. The Related Parties are both good customers and reliable suppliers and the transaction prices are determined by way of negotiation in the ordinary course of business and upon normal commercial terms.

The Recurrent Transactions are expected to enhance the Group's business operations via the established relationship between the Group and the Related Parties. Such relationship will also ensure that Widad Group will continue to have support of procurement of goods and services of required quality and likewise, ensuring its products and services meet its customers' requirements.

4. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

As the Recurrent Transactions are carried out in the ordinary course of business and on normal commercial terms which are not more favourable to the Related Party than those generally available to the public, the effect of such transactions on the EPS and NA per share of Widad Group and share capital in Widad are not expected to be different from similar transactions with a non-related party. Accordingly, the Proposed Shareholders' Mandate is not expected to have any effect on the issued share capital of Widad, NA per share and EPS of the Widad Group.

5. APPROVAL REQUIRED

The Proposed Renewal of Shareholders' Mandate are subject to the approval of the shareholders of Widad at the forthcoming 12th AGM to be convened.

6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDER AND/OR PERSON(S) CONNECTED

Save as disclosed below, none of the other Directors, Major Shareholders and/or person(s) connected to them has any interest, whether direct or indirect, in the Proposed Renewal of Shareholders' Mandate.

The direct and indirect shareholdings of the Interested Related Parties in Widad as at the LPD are as follows:

	No. of Shares			
	Direct	%	Indirect	%
<u>Name of the interested director</u> Dato' Dr. Mohd Rizal Bin Mohd Jaafar	33,050,000	1.21	-	-
<u>Name of the interested Major Shareholders</u> Widad Business Group Sdn Bhd	1,286,603,980	47.02	817,000 ⁽¹⁾	0.03
Tan Sri Muhammad Ikmal Opat Bin Abdullah	125,245,700	4.58	1,290,820,980 ⁽²⁾	47.17
Wardah Communication Sdn Bhd	817,000	0.03		
<u>Name of Persons Connected</u> Puan Sri Jamilah Binti Mahamad Isa	-	-	-	-
Isyraf Widad Bin Muhammad Ikmal Opat	1,700,000	0.06	-	-
Ilham Widad Bin Muhammad Ikmal Opat	1,700,000	0.06	-	-
Datuk Cham Nong A/L Aliap	4,158,300	0.15	-	-

Note :

⁽¹⁾ Deemed interest pursuant to Section 8 of the Companies Act ("Act") by virtue of being the holding company of Wardah Communication Sdn. Bhd.

⁽²⁾ Deemed interest via shareholding in Widad Business Group Sdn. Bhd. and through his children, Mr. Isyraf Widad Bin Muhammad Ikmal Opat and Mr. Ilham Widad Bin Muhammad Ikmal Opat pursuant to Section 8 of the Act.

The interested director (i.e. Dato' Dr. Mohd Rizal Bin Mohd Jaafar) has abstained and shall continue to abstain from all deliberations and voting at the Board meetings of the Company pertaining to the relevant Recurrent Transactions contemplated under the Proposed Renewal of Shareholders' Mandate he is deemed interested. The Interested Director and Interested Major Shareholder, WBG and Tan Sri Ikmal shall abstain from voting in respect of their direct and indirect shareholdings, deliberating or approving the relevant resolution approving the Proposed Renewal of Shareholders' Mandate in which they are deemed interested, at the forthcoming AGM. The interested Directors and interested Major Shareholders have also undertaken to ensure that Person(s) Connected with them will abstain from voting in respect of their direct and indirect shareholdings, deliberating or approving the respective resolution pertaining to the Proposed Renewal of Shareholders' Mandate in which they are deemed interested, at the forthcoming AGM.

7. DIRECTORS' STATEMENT AND RECOMMENDATION

Having considered the rationale for the abovementioned Shareholders' Mandate, the Board (save for Dato' Dr. Mohd Rizal Bin Mohd Jaafar who is deemed interested in the Proposed Renewal of Shareholders' Mandate) is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of the shareholders and the Group. Accordingly, the Board (save for Dato' Dr. Mohd Rizal Bin Mohd Jaafar) recommends that shareholders of Widad to vote in favour of the resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 12th AGM.

8. AGM

The 12th AGM, the notice of which is enclosed in the Notice Booklet, which will be despatched to the eligible shareholders, will be conducted fully virtual at the Broadcast Venue at WBG Penthouse, Widad Semantan (WiSe), No 3, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur on Tuesday, 29 June 2021 at 3.00 p.m for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Renewal of Shareholders' Mandate.

A Form of Proxy for the forthcoming 12th AGM is enclosed in the Notice Booklet, which will be despatched to the eligible shareholders. If you are unable to attend and vote in person at the 12th AGM, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon to the Company's Registered Office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or email to AGM-support.Widad@megacorp.com.my not less than forty-eight (48) hours before the time fixed for holding the 12th AGM. The lodging of the Form of Proxy will not preclude you from attending and voting at the 12th AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

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

Yours faithfully
For and on behalf of the Board of
WIDAD GROUP BERHAD

ONG KUAN WAH
INDEPENDENT NON-EXECUTIVE DIRECTOR

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

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

2. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, Widad Group has not entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business of our Group) during the 2 years immediately preceding the date of this Circular:

- (i) Heads of Agreement between Widad Capital Sdn Bhd ("WCSB"), a wholly-owned subsidiary of Widad Group, with Palm Shore Holdings Sdn Bhd ("PSHSB"), Nawawi Bin Tamby ("NBT") and Mohd Ghauth Bin Mohd Yusoff ("MGY") in respect of the proposed acquisition of 100% equity interest in PSHSB dated 14 April 2021 ("Heads of Agreement") free from any encumbrances for a purchase price of RM35,000,000.00 to be satisfied via cash, subject to the terms and conditions of share sale and purchase agreement to be entered into between the parties.
- (ii) Share Sale Agreement dated 24 June 2020 between Innovative City Holdings Sdn Bhd ("ICHSB"), a wholly-owned subsidiary of Widad Concession Sdn Bhd, which in turn is a wholly-owned subsidiary of Widad, with Menang Development (M) Sdn Bhd, Menang Industries (M) Sdn Bhd and Tentu Selesa Sdn Bhd for the proposed acquisition of 69,300,100 ordinary shares in Inovatif Mewah Sdn Bhd ("IMSB"), representing 100% equity interest in IMSB, for a purchase consideration of RM122.00 million to be fully satisfied in cash ("SSA").

The SSA was mutually terminated by all parties on 19 March 2020.

- (iii) Share Sale Agreement dated 19 February 2020 between Widad and ;
 - 1. Prihatin Ehsan Holdings Sdn Bhd and Training Camp Aabata Sdn Bhd for the sale and purchase of shares of 4,500,000 ordinary shares in SHSB (representing 90% equity interest in SHSB), for a purchase consideration of RM114.62 million.
 - 2. Just Wisdom Sdn Bhd for the sale and purchase of shares of 500,000 ordinary shares in SHSB (representing 10% equity interest in SHSB), for a purchase consideration of RM12.4 million.

The proposed acquisitions were completed on 18 March 2021 following the balance payment of purchase consideration, allotment of shares and listing of such shares on the ACE Market of Bursa Malaysia Securities Berhad.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, save for the following, the Board confirmed that neither Widad nor its subsidiaries are engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of the Widad Group and the Board confirmed that there are no proceedings pending or threatened against the Widad Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Widad Group:-

- (i) Kuala Lumpur High Court (Construction), (Suit No.: WA-22C-97-11/2019)

Widad Builders Sdn Bhd ("WBSB"), has been served with a Writ of Summons and Statement of Claim dated 6 November 2019 filed by KMK Power Sdn. Bhd., Registration no. 199401024368 (310049-M), and KMK Green Ventures Sdn. Bhd., Registration no.

201901016756 (1326084-H) at the Kuala Lumpur High Court under Suit No. WA-22NCvC-817-11/2019.

1. Background Information

KMK Power Sdn Bhd (first plaintiff) and KMK Green Ventures Sdn Bhd (second plaintiff) (both plaintiffs are referred to as “the Plaintiffs”) have filed a Writ of Summons dated 6 November 2019 against Bumi Segar Indah Sdn Bhd (“BSI”) as the First Defendant and WBSB as Second Defendant.

The Plaintiffs commenced the suit against BSI in relation to a contract known as “Cadangan Projek bagi Membina, Mengoperasi dan Menyelenggara Stesen Pemindahan Sisa Pepejal Baru di Taman Beringin, Jinjang Utara, Kepong, Kuala Lumpur” (“the said Project”) and sought a declaration that WBSB’s transaction with BSI is void and other reliefs.

WBSB has accepted the award of the contract for the said Project from BSI on 25 September 2019 for the design and build portion of the said Project only. Please refer to WGB’s announcement to Bursa Malaysia Securities Berhad dated 25 September 2019 for further details.

WBSB is of the view that WBSB is a third party to any contract (including the said Project), and it does not have any connection whatsoever, whether written or verbal, implied or express, between the Plaintiff and BSI, nor is aware of any understanding, arrangement and / or obligations arising and between the Plaintiffs and BSI. WBSB views that the Doctrine of Privity of Contract applies whereas a contract cannot confer rights or impose obligations upon any person who is not a party to the said contract. WBSB is not privy to any terms between the Plaintiffs and BSI.

2. Particulars of the Claims

- (i) Declaration and specific performances on the agreements between Plaintiffs and BSI;
- (ii) Declaration that the transaction between BSI and WBSB is void;
- (iii) specific damages inclusive loss of profit of RM35,752,028.60;
- (iv) Injunctions; and
- (v) other reliefs.

WBSB has successfully granted by the High Court of Malaya Kuala Lumpur to strike out the Plaintiff’s suit with cost granted to WBSB for RM3,500-00 with liberty for Plaintiff to file afresh. There is no appeal filed by the Plaintiff as at the moment and the period of appeal has ended.

The order was dated 28 July 2020.

4. DOCUMENTS FOR INSPECTION

The following documents are available for inspection during normal business hours at the Registered Office of Widad at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, during normal business hours between Monday and Friday (except public holidays) from the date of this Circular up to and including the date of the forthcoming 12th AGM:

- (i) the Constitution of Widad;
- (ii) the audited consolidated financial statements of Widad for the past 2 financial years ended 31 December 2019 and 31 December 2020 as well as the latest unaudited consolidated financial result for the financial period ended 31 March 2021; and
- (iii) the material contracts referred to in Section 2 of this Appendix I.