

THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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



TSH RESOURCES BERHAD

Registration no. 197901005269 (49548-D)
(Incorporated in Malaysia)

**STATEMENT IN RELATION TO
PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK**

The resolution in respect of the above proposal will be tabled as a special business at the Forty-Fourth Annual General Meeting (“44th AGM”) of our Company. The 44th AGM of our Company will be held on a fully virtual basis through live streaming and online remote voting via the online meeting platform at <https://meeting.boardroomlimited.my/> (Domain Registration No. with MYNIC - D6A357657).

The notice of the 44th AGM together with the Proxy Form, Administrative Guide and this Statement are available on our Company’s website at <https://www.tsh.com.my/investor-relations/shareholders-meeting/>. Please follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely.

A member of our Company who is entitled to attend and vote at the meeting, can appoint not more than two proxies to attend and vote in his stead. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. A proxy may but need not be a member of our Company. If no names are inserted in the space for the name of proxy, the Chairman of the meeting will act as proxy.

If our members wish to appoint a proxy to attend and vote on their behalf at the 44th AGM, they may deposit the duly completed and signed Proxy Form at the office of our Company’s share registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor not later than 48 hours before the time appointed for holding this meeting or adjourned meeting. Alternatively, our members may lodge their Proxy Form electronically through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> by logging in and selecting “Submit eProxy Form” not later than 48 hours before the time appointed for holding this meeting or adjourned meeting. Please follow the procedures provided in the Administrative Guide in order to participate in the 44th AGM.

Last date and time for lodging the Proxy Form : Saturday, 18 May 2024 at 10.00 a.m.

Date and time of the 44th AGM : Monday, 20 May 2024 at 10.00 a.m.

DEFINITIONS

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

“Act”	: Companies Act 2016, as amended from time to time including any re-enactment thereof
“AGM”	: Annual General Meeting
“Board”	: The Board of Directors of TSH
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“Director(s)”	: The directors of TSH, and shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act, 2007
“EPS”	: Earnings per share
“Listing Requirements”	: The Bursa Securities Main Market Listing Requirements including any amendments to the same that may be made from time to time
“NA”	: Net assets attributable to ordinary equity holders of TSH
“Prevailing Laws”	: Any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities including but not limited to the Listing Requirements
“Proposed Renewal of Share Buy-Back Authority” or “Proposed Share Buy-Back”	: Proposal to enable TSH to purchase and hold its own shares of up to ten percent (10%) of its issued share capital
“Purchased Shares”	: TSH Shares purchased pursuant to the Proposed Share Buy-Back
“Rules”	: Rules on Take-Overs, Mergers and Compulsory Acquisitions 2016 as amended from time to time including any re-enactment thereof
“Substantial Shareholders”	: Meaning given in Section 136 of the Act
“TSH” or “our Company”	: TSH Resources Berhad
“TSH Group” and “our Group”	: TSH and its subsidiaries
“TSH Shares” or “shares”	: Ordinary shares in TSH
“Share Buy-Back Statement” or “this Statement”	Statement in relation to the Proposed Renewal of Share Buy-Back Authority

Currencies

"RM" and "sen" : Ringgit Malaysia and sen respectively

In this Statement, 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.

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

Any reference to a time of day and date in this Statement shall be a reference to Malaysian time of day and date, unless otherwise specified.

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1. INTRODUCTION

At our Company's 43rd AGM held on 23 May 2023, our Company had obtained its shareholders' approval for our Company to purchase and/or hold up to a maximum of 10% of its total number of issued share capital for the time being.

The above said authorisation shall lapse at the conclusion of the forthcoming 44th AGM of our Company scheduled for 20 May 2024, unless it is renewed.

On 22 February 2024, our Company announced that it will seek shareholders' approval for the Proposed Renewal of Share Buy-Back Authority at the forthcoming 44th AGM of our Company.

The purpose of this Statement is to provide our shareholders with the details of the Proposed Renewal of Share Buy-Back Authority and to seek their approval for the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled as a special business at the forthcoming 44th AGM of our Company.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

Our Company proposes to seek its shareholders' approval for a renewal of the authority to purchase and hold up to 10% of its total issued share capital at any point in time, subject to the Act, Listing Requirements and any Prevailing Laws, rules, regulations and guidelines issued by the relevant authorities at the time of purchase through its appointed stockbroker, which had previously been approved by Bursa Securities.

For illustration purposes, the maximum number of TSH Shares that may be purchased by our Company based on its issued share capital and the number of treasury shares held as at 29 March 2024 are as follows:

	<u>No. of shares</u>
Issued share capital	<u>1,381,802,509</u>
Proposed Share Buy-Back (10% thereof)	138,180,250
Less: Number of shares bought back and held as treasury shares	(1,629,000)
Maximum number of shares that may be further bought back from the market	<u>136,551,250</u>

The authority for the Proposed Share Buy-Back will be effective immediately upon the passing of the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority until the conclusion of the next AGM of our Company unless earlier revoked or varied by ordinary resolution of our shareholders in a general meeting.

Set out below are details of the Proposed Share Buy-Back:

2.1. Funding

A sum of not exceeding our Company's audited retained profits will be allocated for the Proposed Share Buy-Back. Based on the latest audited financial statements as at 31 December 2023, our Company's retained profits amounted to RM239,152,000.

The Proposed Share Buy-Back will allow our Company to exercise the power to purchase and hold its own shares at any time within the abovementioned validity period using the internally generated funds of our Company and/or bank borrowings. The actual number of shares to be purchased and held will depend on the prevailing equity market conditions and sentiments as well as the retained profits, financial resources and bank borrowings and repayment capabilities of our Company at the time of purchase(s). In the event that our Company decides to utilise bank borrowings to finance the Proposed Share Buy-Back, it will ensure that it has sufficient financial capability to repay the bank borrowings and that the bank borrowings are not expected to have a material impact on the cash flow of our Company.

2.2. Treatment of Purchased Shares

The TSH Shares purchased by our Company will be dealt with by the Directors in accordance with Section 127 of the Act, in the following manner:

- (a) cancel the shares so purchased; or
- (b) retain the shares so purchased as treasury shares and held by our Company; or
- (c) retain part of the shares so purchased as treasury shares and cancel the remainder; or
- (d) distribute the treasury shares as dividends to our shareholders and/or resell them on Bursa Securities and/or cancel all or part of them; or
- (e) transfer all or part of the treasury shares for the purposes of an employees' share scheme and/or as purchase consideration; or

in any other manner as prescribed by the Act, rules, regulations and guidelines pursuant to the Act, the Listing Requirements and other relevant guidelines issued by Bursa Securities and any other relevant authority for the time being in force.

While the Purchased Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in other distribution and otherwise are suspended, and the Purchased Shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in our Company for any purposes including substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

2.3. Purchase Price

Our Company may only purchase its own shares on Bursa Securities at a price which is not more than 15% above the weighted average market price of TSH Shares for the five market days immediately before the date of the purchase(s).

2.4. Resale or Transfer Price

Our Company may only resell the Purchased Shares held as treasury shares or transfer the treasury shares pursuant to Section 127(7) of the Act at:

- (a) a price which is not less than the weighted average market price of TSH Shares for the five market days immediately before the resale or transfer; or
- (b) a discounted price of not more than 5% to the weighted average market price of TSH Shares for the five market days immediately before the date of resale or transfer provided that:
 - (i) the resale or transfer takes place not earlier than 30 days from the date of purchase; and
 - (ii) the resale or transfer price is not less than the cost of purchase of the shares being resold or transferred.

2.5. Public Shareholding Spread

The public shareholding spread of our Company as at 29 March 2024 is 52.94% held by 10,023 public shareholders. Assuming that the Proposed Share Buy-Back is implemented up to 10% of the issued share capital of the Company, the public shareholding spread of the Company is expected to be at 47.78%.

Notwithstanding the above, our Board, in implementing the Proposed Share Buy-Back, will be mindful in ensuring that the minimum public shareholding spread of 25% is met and maintained.

2.6. Potential Advantages and Disadvantages of the Proposed Share Buy-Back

The Proposed Share Buy-Back will reduce the financial resources of our Company. This may result in our Company forgoing other investment opportunities that may emerge in the future and also reduction of financial resources available for distribution in the form of cash dividends to our shareholders.

However, the financial resources of our Company will increase upon the sale of the Purchased Shares that are held as treasury shares, at prices higher than the purchase price. Our Board undertakes to buy back TSH Shares only after giving due consideration to the potential impact on our Group's earnings and only if they are of the opinion that it would be in the best interest of our Company.

2.7. Implications relating to the Rules

The Proposed Share Buy-Back may trigger an obligation by our substantial shareholders and/or persons acting in concert with them to undertake a mandatory offer under the Rules.

Nevertheless, our Board will be mindful of the potential implications relating to the Rules. In the event that an obligation to undertake a mandatory offer is expected to be triggered as a result of the Proposed Share Buy-Back, which is an action outside its direct participation, the affected parties shall apply to the Securities Commission for an exemption from undertaking a mandatory offer prior to any shares buy-back under the Rules.

2.8. Purchases and resale made in the previous 12 months

Our Company did not purchase any TSH Shares in the previous 12 months. The total number of TSH Shares held as treasury shares as at 29 March 2024, being the latest practicable date prior to the printing of this Statement was 1,629,000. None of the shares purchased were resold, transferred or cancelled during the preceding 12 months.

2.9. Share Prices

The monthly highest and lowest prices of TSH Shares traded on Bursa Securities for the last 12 months are as follows:

	Highest	Lowest
	RM	RM
2023		
April	1.040	0.930
May	0.965	0.915
June	1.070	0.925
July	1.050	0.975
August	1.040	0.980

	Highest	Lowest
	RM	RM
2023		
September	1.030	0.945
October	1.010	0.950
November	1.000	0.955
December	1.050	0.960
2024		
January	1.170	0.995
February	1.180	1.030
March	1.170	1.130
Last transacted price of TSH Shares on 22 February 2024 (being the last transacted price prior to the announcement of the Proposed Share Buy-Back)		RM1.11
Last transacted price of TSH Shares on 29 March 2024 (being the latest practicable date prior to the printing of this Statement)		RM1.13

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back, if approved and exercised, is expected to potentially benefit our Company and our shareholders as follows:

- (a) earnings and NA per share of our Company may increase when the Purchased Shares are cancelled, thereby making the shares more attractive to investors; and
- (b) if the Purchased Shares are kept as treasury shares, it will give our Directors an option to subsequently sell the shares so purchased at a higher price and therefore, making an exceptional gain for our Company. Alternatively, the shares so purchased can be distributed as share dividends to our shareholders.

4. EFFECTS OF THE PROPOSED SHARE BUY-BACK

The effects of the Proposed Share Buy-Back on the share capital, NA, working capital, earnings and shareholdings of our Directors and our substantial shareholders set out below are based on the assumption that our Company purchases up to the maximum 10% of its issued share capital.

4.1 Share Capital

In the event that all the Purchased Shares are cancelled, the issued share capital of our Company as at 29 March 2024, subsequent to the completion of the Proposed Share Buy-Back, will be reduced from 1,381,802,509 ordinary shares to 1,243,622,259 ordinary shares.

In the event that all the Purchased Shares are held as treasury shares, the Proposed Share Buy-Back will not have any effect on the issued share capital of our Company. However, the rights attaching to the treasury shares relating to voting, dividends and participation in other distributions and otherwise would be suspended.

4.2 NA

Purchase of Shares

The Proposed Share Buy-Back may increase or decrease the NA per share depending on the purchase price(s) of TSH Shares to be bought back pursuant to the Proposed Share Buy-Back. The NA per share is likely to increase if the purchase price is less than the NA per share and decrease if the purchase price exceeds the NA per share at the time when TSH Shares are purchased.

Resale of Treasury Shares

The resale of treasury shares may increase or decrease the NA per share depending on the resale price(s) of TSH Shares to be sold pursuant to the Proposed Share Buy-Back. The NA per share is likely to increase if the resale price of the shares so purchased is more than the prevailing NA per share and decrease if the resale price of the shares so purchased is less than the prevailing NA per share.

4.3 Working Capital

The Proposed Share Buy-Back is likely to reduce the working capital of our Group, the quantum of which depends on the purchase price of the shares, the number of shares purchased and the effective funding cost to our Company.

4.4 EPS

The effect of the Proposed Share Buy-Back on the EPS of our Group will depend on, inter-alia, the number of shares purchased and the purchase price(s) of the shares.

4.5 Dividend

A first and final single-tier dividend of 2.5 sen per ordinary share for the financial year ended 31 December 2023 will be paid by our Company on 17 May 2024.

Assuming the Proposed Share Buy-Back is implemented in full, dividend would be paid on the remaining share capital of our Company (excluding the shares already purchased). The Proposed Share Buy-Back may have an impact on our Company's dividend policy for the financial year ending 31 December 2024 as it would reduce the cash available which may otherwise be used for dividend payments. Nonetheless, the treasury shares purchased may be distributed as dividends to our shareholders, if our Company so decides.

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Our Directors, our Substantial Shareholders and person(s) connected with our Directors and/or our Substantial Shareholders have no direct or indirect interest in the Proposed Share Buy-Back and resale of treasury shares, if any.

Based on the Register of Directors' Shareholding and Register of Substantial Shareholders as at 29 March 2024 and assuming our Company implements the Proposed Share Buy-Back in full and that the shares purchased are from our public shareholders, the effect of the Proposed Share Buy-Back on the shareholdings of our Directors and Substantial Shareholders are as follows:

Directors' Shareholdings

	< -----No. of ordinary shares held ----- >							
	Before the Proposed Share Buy-Back				After the Proposed Share Buy-Back			
	Direct	%	Indirect*	%	Direct	%	Indirect*	%
Datuk Kelvin Tan Aik Pen	342,708,887	24.83	-	-	342,708,887	27.56 [#]	-	-
Dato' Aik Sim, Tan	55,281,134	4.01	-	-	55,281,134	4.45 [#]	-	-
Dato' Jasmy bin Ismail	-	-	-	-	-	-	-	-
Natasha binti Mohd Zulkifli	-	-	-	-	-	-	-	-
Yap Boon Teck	-	-	-	-	-	-	-	-
Velayuthan a/l Tan Kim Song	-	-	-	-	-	-	-	-
Paul Lim Joo Heng	-	-	-	-	-	-	-	-
Tan Aik Kiong	57,348,265	4.16	27,125	**	57,348,265	4.61 [#]	27,125	**
Lim Fook Hin	2,102,000	0.15	500,000	0.04	2,102,000	0.17	500,000	0.04

Notes:

* Deemed interested by virtue of Section 59(11)(c) of the Act.

** Negligible.

In the event that an obligation to undertake a mandatory offer is expected to be triggered as a result of the Proposed Share Buy-Back, the affected parties shall apply to the Securities Commission for an exemption from undertaking a mandatory offer under the Rules.

Substantial Shareholders' Interests

	< -----No. of ordinary shares held ----- >							
	Before the Proposed Share Buy-Back				After the Proposed Share Buy-Back			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Datuk Kelvin Tan Aik Pen	342,708,887	24.83	-	-	342,708,887	27.56	-	-
Tan Aik Yong	71,859,287	5.21	-	-	71,859,287	5.78	-	-

6. APPROVAL REQUIRED

The Proposed Share Buy-Back is subject to the approval of our shareholders at the forthcoming AGM of our Company.

7. DIRECTORS' RECOMMENDATION

Our Directors, having considered all aspects of the Proposed Share Buy-Back are of the opinion that the Proposed Share Buy-Back is in the best interest of our Company and our shareholders. Accordingly, our Directors recommend that our shareholders vote in favour of the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

8. FULLY VIRTUAL AGM

The ordinary resolution for the Proposed Share Buy-Back will be tabled as a special business at the forthcoming 44th AGM of our Company to be held on a fully virtual basis through live streaming and online remote voting via the online meeting platform at <https://meeting.boardroomlimited.my/> (Domain Registration No. with MYNIC - D6A357657) on Monday, 20 May 2024 at 10.00 a.m. or at any adjournment thereof.

Notice of the 44th AGM together with the Proxy Form and Administrative Guide are available on our Company's website at <https://www.tsh.com.my/investor-relations/shareholders-meeting/>. Please follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely.

If our shareholders are unable to participate in this fully virtual AGM, they are encouraged to appoint the Chairman of the meeting or a proxy to attend and vote on their behalf. If our shareholders wish to do so, they shall complete, sign and return the Proxy Form according to the instructions printed thereon, and to arrive at our Company's share registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor not later than 48 hours before the time appointed for holding this meeting or adjourned meeting.

9. FURTHER INFORMATION

Our shareholders are requested to refer to the attached Appendix I for further information.

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FURTHER INFORMATION**1. Responsibility Statement**

Our Directors have seen and approved this Statement and they, 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 misleading information or other facts which, if omitted, would make any statement herein misleading.

2. Documents Available For Inspection

Copies of the following documents may be inspected at our registered office at Level 10, Menara TSH, No 8 Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur during normal office hours from Mondays to Fridays (except for public holidays) from the date of this Statement until the date of the forthcoming AGM:

- (a) Our Constitution; and
- (b) Our Audited Financial Statements for the past two financial years ended 31 December 2022 and 31 December 2023.