



## **SHARE BUY BACK POLICY**

### **1. Purpose**

This policy sets out the objective, procedures and guidelines to govern Share Buy Back as approved by the shareholders of My E.G. Services Berhad.

### **2. Objective**

My E.G. Services Berhad executes share buy back as an integrated policy of its shareholder policy. It is based on the belief that share buy-backs will :-

- Enhance the Earnings Per Share of the Group (in the case where the Shares so purchased are cancelled and/ or retain the Shares in treasury and the treasury shares are not subsequently resold) as the Shares purchased are not taken into account when calculating the number of shares in the Company;
- The Shares bought back are kept as treasury shares, it will give the Directors an option to sell the Shares so purchased at a higher price and therefore make an exceptional gain for the Company;
- The Shares so purchased can be distributed as share dividends to the shareholders;
- The Shares so purchased can be implemented as Share Grant Scheme to the Company's employees/Directors as permitted by section 67(2)(b) of the Companies Act, 1965; and
- The Company may be able to stabilise the supply and demand of its Shares in the open market and thereby supporting its fundamental value.

### **3. Procedure**

#### **• Appointment of Stockbroker**

The Company must appoint a Participating Organisations of the Bursa Securities Malaysia Berhad ("Bursa Securities") to facilitate the purchase of its own shares and the subsequent resale of the shares bought back. A securities account designated as "Share Buy-back Account" in the name of the Company must be opened with the said Participating Organisation. This account is to be used solely for the purchase and resale of the Company's own shares.

The Company shall lodge a notice of the appointment of the Participating Organisations to the Exchange.



• **Declaration of Solvency**

The Directors will convene a meeting to make a **declaration** to the effect that they have made an inquiry into the affairs of the Company and have formed an opinion that:-

- a) it is necessary for the Company to buy back its own shares;
- b) the Company is solvent as at the date of the declaration and the share buy back would not result in the Company being insolvent or its capital being impaired;
- c) the Company will remain solvent after each buy back during the period of six months after the date of the declaration; and
- d) the share buy back is made in good faith and in the interest of the Company.

For the above purposes:-

- a) the Company shall be deemed to be solvent if it is able to continue to **meet** its obligations as and when they become due **without** any substantial disposition of its assets **outside the ordinary course of its business**, restructuring its debts, externally forced revisions of its operations or other similar actions;
  - b) the capital of the Company shall be deemed to be impaired when the **value of its assets is less than** the aggregate amount of all the shares of the Company after the share buy back.
- The declaration shall have no effect for this purpose unless it is:-
- a) made at a meeting of the directors referred to above;
  - b) made within **seven days** immediately preceding the first share buy back after the making of the declaration; and
  - c) lodged with the Companies Commission of Malaysia (“CCM”) and Bursa Securities with a copy extended to the Securities Commission (“SC”) **within seven (7) days** after it is made.

The declaration made at the meeting of the Directors shall be valid for share buy back for a period of **six (6) months** after the date it was made unless earlier revoked by a director who is of the opinion that it is likely that the Company will not remain solvent, whereby he has as soon as practicable:-

- a) sign a notice stating that he is of that opinion;
- b) give the notice to the Company; and
- c) lodge a copy of the notice with the CCM, Bursa Securities and the SC,



and whereupon the lodgement of the notice the declaration shall be deemed to be revoked.

- The solvency declaration must be signed by all/majority of the Directors.
- If any Director, whether or not that Director signed the declaration, is of the opinion that it is likely that the Company will not remain solvent at the time of the relevant purchase(s), the Director must immediately notify the Board of Directors of the Company in writing and lodge a copy of such notice with Bursa Securities and the giving of such notice shall revoke the validity of the earlier solvency declaration.

### Source of Funds

- In respect of the source of funds for the share buy back, the Company must ensure that the purchase is made wholly out of retained profits and/or the share premium account of the **Company** and **not** based on group accounts. There are no restrictions on the type of funds which can be utilised so long as the buy-back is backed by an equivalent amount of retained profits and/or share premium. The source included use of borrowings.
- The Company must not purchase its own shares if it will result in the following:-
  - i) the Company being in breach of the shareholding spread requirement as set out in Paragraph 8.02(1) of the Bursa Securities Listing Requirements whereby at least **25%** of issued and paid up capital (excluding treasury shares) must be in the hands of public; or
  - ii) the aggregate of shares purchased or held exceeding **10%** of the Company's issued and paid-up share capital.
- The Company proposes to allocate the amount of upto\_ million for the Proposed Authority to Buy Back Shares, subject to *item 4 - Implication of the Malaysian Code on Take-Overs and Mergers 2010 ("the Code")* below, in accordance with Section 67A of the Companies Act, 1965 (as may be amended, modified or re-enacted from time to time).
- At each Board Meeting, the Board will review the list of Shares Bought Back by the Company, the movement of the Substantial Shareholders of the Company arising from the Share Buy-Back undertaken and the public shareholding spread during the quarter under review.

### Buy-back of odd lot shares

- The Company may purchase its own shares in lots through a Direct Business Transaction or any other manner as may be prescribed or imposed by the Exchange.



### Notification of purchase and/or resale/cancellation

- The **purchase price** of Company's shares must **not be more than 15% above** the weighted average market price for the shares for the five (5) market days immediately before the purchase.
- The Company may only **resell treasury shares** on Bursa Securities at a price which is:-
  - (a) **not less than the weighted average market price** for the shares for the 5 market days immediately before the resale; or
  - (b) **at a discount of not more than 5% to the weighted average market price** for the shares for the 5 market days immediately before the resale provided that:-
    - (i) the resale takes place **not earlier than 30 days** from the date of purchase; and
    - (ii) the resale price is **not less than the cost** of purchase of the shares being resold.
- The Company must ensure that purchase/resale of treasury shares is only effected on the market of Bursa Securities. It however may purchase its odd lot shares through Direct Business Transaction (i.e. outside the Automated Trading System of Bursa Securities).
- The Company must make an **immediate announcement** to Bursa Securities of the purchase of its own shares and/or any resale of its treasury shares and/or cancellation of its shares or treasury shares no later than 6.30 p.m. on the day the purchase/resale/cancellation is made.
- The Company and its Directors in exercising the power to purchase its own shares or resell treasury shares, must not engage in speculative trading activities in relation to such purchase or resale.

### Statutory Requirements

- The Company shall lodge the Form 28A with the CCM, Bursa Securities and SC within **fourteen (14) days** from the date after the shares are purchased and the decision of the Board on how the shares are to be dealt with.
- Where the Company buys back its own shares and the shares bought back are cancelled or retained in treasury, and where the treasury shares are sold, cancelled or distributed as share dividends to shareholders, the Company shall within **three (3) days** of the buy back, sale, cancellation or distribution, as the case may be make appropriate **adjustments to its register of substantial shareholders** kept by the Company of the resultant percentage shareholdings of each of the



substantial shareholders and **insert the details of every person who became a substantial shareholder** as a result of the buy back, sale, cancellation or distribution, as the case may be.

- Where a person became a substantial shareholder of a company or where changes occurred in the shareholding of a substantial shareholder of the Company as a result of the buy back of shares or any sale of its treasury shares, as the case may be, by the Company, the obligation of that person or the substantial shareholder to notify the Company and Bursa Securities, shall be deemed to have been met by the entry of the details or adjustments in the register of substantial shareholders made above.
- The Company shall, within **fourteen (14) days** of the buy back of its shares or any sale of its treasury shares, as the case may be, send a **notice** to each of the persons whose names appear in the register of **substantial shareholders** to notify them of the entry or adjustments made in the register in respect of their shareholdings made above.
- Where the Company has sold any of its treasury shares or where the Directors of the Company have resolved to cancel any of its treasury shares, it shall within **fourteen (14) days** of such sale or cancellation lodge a notice in accordance with Form 28B with the CCM, Bursa Securities and SC.

#### **Information to be included in Annual Report**

- The Company shall include in its Annual Report, information with respect to the Share Buy-Back as set out in Appendix 12D of the Listing Requirements of Bursa Securities.

#### **4. Implication of the Code**

A Director and any person acting in concert with him or relevant shareholder will be required to make a mandatory general offer for the remaining ordinary shares of the Company not already owned by him/ them if his/ their stake in the Company is increased to beyond 33% or if his/ their existing shareholding is between 33% and 50% and exceeds by another 2% in any six(6) months period.

The approximate limit under the Proposed Authority to Buy Back Shares is calculated to ensure that none of the Directors and/ or existing substantial shareholders of the Company, based on the Company's present Issued and Paid-up Share Capital (excluding treasury shares) and the current shareholders of the Directors and/ or substantial shareholders will be required to make a mandatory general offer under the requirements of the Code, as a result of the Proposed Authority to Buy Back Shares.



**5. Authority of Share Buy-Back**

The authority from shareholders would be valid immediately upon the passing of the Ordinary Resolution for the Proposed Authority to Buy Back Shares. The aforesaid authority from shareholders will expire at the conclusion of the next AGM of the Company unless authority is further renewed by ordinary resolution passed at that AGM (either unconditionally or subject to conditions) or upon the expiration of the period within which the next AGM is required by law to be held, or if earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting, whichever occurs first.

This policy is dated 27 February 2020