

**THIS STATEMENT/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 Statement/Circular prior to its issuance as they are exempt documents pursuant to Paragraph 2.1 of the Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

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**MBM RESOURCES BERHAD**  
REGISTRATION NO. 199301029757 (284496-V)  
(INCORPORATED IN MALAYSIA)

**STATEMENT/CIRCULAR TO  
SHAREHOLDERS IN RELATION TO**

**PART A**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE AUTHORITY TO THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PER CENTUM (10%) OF THE TOTAL NUMBER OF ISSUED SHARES**

**PART B**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE COMPANY AND/OR ITS SUBSIDIARIES TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES**

The resolutions of the above proposals will be tabled as Special Business at the Thirtieth Annual General Meeting ("**30<sup>th</sup> AGM**") of MBM Resources Berhad, which will be held virtually through live streaming from the broadcast venue at 23-01, Level 23, Menara MBMR, 1 Jalan Syed Putra, 58000 Kuala Lumpur ("**Broadcast Venue**") on Thursday, 30<sup>th</sup> May 2024 at 2.00 p.m. using the Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at <https://tiih.online>.

Shareholders will not be allowed to attend the 30<sup>th</sup> AGM in person at the Broadcast Venue on the day of the meeting.

This Statement/Circular is available at <https://mbmr.com.my/investors/annual-general-meetings/> together with, amongst others, the Annual Report 2023, Notice of 30<sup>th</sup> AGM, Proxy Form and the Administrative Details for 30<sup>th</sup> AGM. **Please read the Notes in the Notice of 30<sup>th</sup> AGM carefully and follow the procedures in the Administrative Details for 30<sup>th</sup> AGM in order to participate remotely via RPV facilities.**

If you are unable to participate at this 30<sup>th</sup> AGM, you may appoint a proxy(ies) to do so on your behalf by completing, signing and depositing the Proxy Form in accordance with the instruction contained therein. Alternatively, you may appoint the Chairman of the meeting as your proxy and indicate your voting instruction in the Proxy Form.

The completed Proxy Form must be deposited at the Company's Share Registrar's office at 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 alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, no later than 48 hours before the time for holding the 30<sup>th</sup> AGM, which is no later than Tuesday, **28<sup>th</sup> May 2024 at 2.00 p.m.** or any adjournment thereof. You may also submit the proxy appointment electronically via TIIH Online website at <https://tiih.online> not later than the aforementioned time.

## DEFINITIONS

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The following definitions shall apply throughout this Statement/Circular unless the context requires otherwise:

Act	:	Companies Act 2016, as amended from time to time and any re-enactment thereof (including the corresponding previous written law)
AGM	:	Annual General Meeting
Annual Report 2023	:	Annual Report of MBMR for the financial year ended 31 December 2023
AC	:	Audit Committee of MBMR
Board	:	Board of Directors of MBMR
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
CMSA	:	Capital Markets and Services Act 2007, including any amendments that may be made from time to time
Code	:	Malaysian Code on Take-Overs and Mergers 2016, including any amendments that may be made from time to time
Director	:	Has the meaning given in Section 2(1) of the CMSA and for the purposes of the Proposed Renewal of RRPT Mandate, 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) a director of the Company, its subsidiary or holding company; or (b) a chief executive (as defined under Paragraph 1.01 of the Listing Requirements) of the Company, its subsidiary or holding company.
DMC	:	Daihatsu Motor Co., Ltd.
DMSB	:	Daihatsu (Malaysia) Sdn Bhd, a 51.5%-owned subsidiary of MBMR
DMMS	:	DMM Sales Sdn Bhd, a wholly owned subsidiary of DMSB
EPS	:	Earnings per share
Family	:	In relation to a person means such person who falls within any one of the following categories:-  (a) spouse; (b) parent; (c) child including an adopted child and step-child; (d) brother or sister; and (e) spouse of the person referred to in item (c) and (d) above.
HML	:	Hino Motors, Ltd.
HMSM	:	Hino Motors Sales (Malaysia) Sdn Bhd

## DEFINITIONS (Cont'd)

Interested Directors	:	Representatives of the Major Shareholder(s) on the Board of Directors of the Related Parties
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities including any amendments that may be made from time to time
LPD	:	29 March 2024 being the last practicable date prior to the printing of this Statement/Circular
Major Shareholder(s)	:	<p>A person who has an interest or interests in one or more of the voting shares in our Company and the number or aggregate number of those shares, is:-</p> <p>(a) 10% or more of the total number of voting shares in the Company; or</p> <p>(b) 5% or more of the total number of the voting shares in the Company where such person is the largest shareholder of the Company.</p> <p>This 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 as defined above or any other company which is a subsidiary or its holding company.</p> <p>For the purpose of this definition, "interest" shall have the meaning of "interests in shares" given in Section 8 of the Act.</p>
Market Day(s)	:	A day on which the stock market of Bursa Securities is open for trading in securities, which may include a Surprise Holiday.
MBMR or Company	:	MBM Resources Berhad
MBMR Group or Group	:	MBMR and its subsidiaries
MBMR Share(s) or Share(s)	:	Ordinary Shares in the Company
Mitsui	:	Mitsui & Co., Ltd.
NA	:	Net Assets
Partner	:	<p>in relation to any person (referred to as "<b>said Person</b>"), means such person who falls within any one of the following categories:-</p> <p>(a) a person with whom the said Person, is in or proposes to enter into partnership with. "Partnership" for this purpose refers to a "partnership" as defined in Section 3 of the Partnership Act 1961 or "limited liability partnership" as defined in Section 2 of the Limited Liability Partnerships Act 2012, as the case may be; or</p> <p>(b) a person with whom the said Person has entered or proposes to enter into a joint venture, whether incorporated or not.</p>

## DEFINITIONS (Cont'd)

Person(s) Connected	: In relation to any person (referred to as " <b>said Person</b> "), means such person who falls under any one of the following categories:- <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 Persons 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>
POSB	: Perusahaan Otomobil Kedua Sdn Bhd
Proposals	: The Proposed Renewal of Share Buy-Back Mandate and Proposed Renewal of RRPT Mandate
Proposed Renewal of RRPT Mandate	: Proposed renewal of shareholders' mandate for MBMR Group to enter into RRPT
Proposed Renewal of Share Buy-Back Mandate	: Proposed renewal of shareholders' mandate for the authority to the Company to purchase its own shares of up to ten per centum (10%) of its total number of issued shares
Proposed Share Buy-Back	: Proposed purchase of up to ten per centum (10%) of MBMR's total number of issued Shares
PSSB	: Perodua Sales Sdn Bhd, a wholly owned subsidiary of POSB
Purchased Shares	: MBMR Shares to be purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back Mandate
Related Party(ies)	: Director(s), Major Shareholder(s) of our Company or Person(s) Connected with such Director(s) or Major Shareholder(s) of the Company

## DEFINITIONS (Cont'd)

RM and sen	:	Ringgit Malaysia and sen, respectively
RRPT	:	Related party transaction(s), which is/are recurrent, of a revenue or trading nature and which is/are necessary for day-to-day operations of our Group
SC	:	Securities Commission Malaysia
Shareholders	:	Shareholders of the Company
Statement/Circular	:	This statement/circular to the shareholders of MBMR dated 30 April 2024
Substantial Shareholder(s)	:	A person who has an interest or interests in one or more voting shares and the number or the aggregate number of such shares is not less than 5% of the total number of all the voting shares as defined under Section 136 of the Act. For the purpose of this definition, "interest in shares" has the meaning given in Section 8 of the Act
Surprise Holiday	:	A day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazette as a public holiday at the beginning of the calendar year.
TMC	:	Toyota Motor Corporation
Treasury Shares	:	MBMR Shares so purchased and retained in treasury as treasury shares.
Validity Period	:	The period from the date of 30 <sup>th</sup> AGM, i.e. 30 May 2024 until the conclusion of the next AGM of MBMR

All references to "**our Company**" in this Statement/Circular are to MBMR. References to "**our Group**" are to our Company and our subsidiaries. References to "**we**", "**us**", "**our**" and "**ourselves**" are to our Company and where the context requires, shall include our subsidiaries.

All references to "**you**" in this Statement/Circular are to our shareholders.

For practical reasons, information disclosed in this Statement/Circular has been based on a cut-off date of 29 March 2024, being the LPD before the printing of this Statement/Circular, unless stated otherwise.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations.

Any reference to any enactment in this Statement/Circular is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time or date in this Statement/Circular is a reference to Malaysian time or date, unless otherwise stated.

Any discrepancy in the tables between the amounts listed, actual figures and the totals in this Statement/Circular are due to rounding.

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## CONTENTS

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### LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE AND THE PROPOSED RENEWAL OF RRPT MANDATE

	<b>PAGE</b>
INTRODUCTION	1
<b><u>PART A - PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE</u></b>	
<b>1. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE</b>	<b>3</b>
1.1 Maximum Number or Percentage of Shares to be Acquired	3
1.2 Maximum Amount of Funds to be Allocated and the Source of Funds	4
1.3 Treatment of Purchased Shares	4
1.4 Public Shareholding Spread	5
1.5 Implication of the Code	5
1.6 Purchase of MBMR Shares, and Resale, Transfer and/or Cancellation of Treasury Shares in the Preceding 12 Months	5
<b>2. RATIONALE FOR THE PROPOSED SHARE BUY-BACK</b>	<b>5</b>
<b>3. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK</b>	<b>6</b>
<b>4. EFFECTS OF THE PROPOSED SHARE BUY-BACK</b>	<b>6</b>
4.1 Share Capital	6
4.2 Directors' and Substantial Shareholders' Shareholdings	7
4.3 NA	7
4.4 Working Capital and Cash Flow	7
4.5 Gearing	8
4.6 Earnings	8
<b>5. SHARE PRICE PERFORMANCE</b>	<b>8</b>
<b>6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS</b>	<b>8</b>
<b>7. APPROVAL REQUIRED</b>	<b>8</b>
<b>8. DIRECTORS' STATEMENT AND RECOMMENDATION</b>	<b>9</b>
<b>9. AGM</b>	<b>9</b>

## **PART B - PROPOSED RENEWAL OF RRPT MANDATE**

<b>1.</b>	<b>DETAILS OF THE PROPOSED RENEWAL OF RRPT MANDATE</b>	<b>11</b>
1.1	Provisions under the Listing Requirements	11
1.2	Principal Business Activities of Our Group	11
1.3	Class of Related Parties and Nature of the RRPT for the Proposed Renewal of RRPT Mandate	12
<b>2.</b>	<b>REVIEW PROCEDURES FOR THE RRPT</b>	<b>13</b>
<b>3.</b>	<b>AMOUNT DUE AND OWING TO THE COMPANY BY THE RELATED PARTIES</b>	<b>13</b>
<b>4.</b>	<b>STATEMENT BY THE AC</b>	<b>14</b>
<b>5.</b>	<b>RATIONALE AND BENEFIT OF THE PROPOSED RENEWAL OF RRPT MANDATE</b>	<b>14</b>
<b>6.</b>	<b>EFFECTS OF THE PROPOSED RENEWAL OF RRPT MANDATE</b>	<b>14</b>
<b>7.</b>	<b>INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM</b>	<b>15</b>
7.1	Interests of Directors, Major Shareholders of Our Company and/or Persons Connected with Them	15
7.2	Interests of Directors, Major Shareholders of Our Subsidiaries and/or Persons Connected with Them	15
<b>8.</b>	<b>APPROVAL REQUIRED</b>	<b>15</b>
<b>9.</b>	<b>DIRECTORS' STATEMENT AND RECOMMENDATION</b>	<b>15</b>
<b>10.</b>	<b>AGM</b>	<b>16</b>
<b>11.</b>	<b>FURTHER INFORMATION</b>	<b>16</b>

## **APPENDICES**

<b>I</b>	<b>FURTHER INFORMATION</b>	<b>17</b>
<b>II</b>	<b>EXTRACT OF RESOLUTIONS OF THE PROPOSALS</b>	<b>18</b>

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**MBM RESOURCES BERHAD**  
REGISTRATION NO. 199301029757 (284496-V)  
(INCORPORATED IN MALAYSIA)

**Registered office:**  
Unit 30-01, Level 30, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

30 April 2024

**Board of Directors:**

Aqil bin Ahmad Azizuddin, Chairman and Non-Independent Non-Executive Director  
Dato' Anwar bin Haji @ Aji, Senior Independent Non-Executive Director  
Nik Fazila binti Nik Mohamed Shihabuddin, Independent Non-Executive Director  
Low Hin Choong, Non-Independent Non-Executive Director  
Ng Seng Kong, Non-Independent Non-Executive Director  
Wong Fay Lee, Non-Independent Non-Executive Director  
Dato' Zulfikri bin Osman, Non-Independent Non-Executive Director

**To: Our Shareholders**

Dear Sir/Madam,

- (i) **PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE**
- (ii) **PROPOSED RENEWAL OF RRPT MANDATE**

**(COLLECTIVELY REFERRED TO AS "THE PROPOSALS")**

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**INTRODUCTION**

The Company had at its 29<sup>th</sup> AGM held on 1 June 2023, obtained its shareholders' mandates for:-

- (a) the Company's Proposed Share Buy-Back; and
- (b) the Company and its subsidiaries to enter into RRPT that are necessary for the day-to-day operations of MBMR Group.

The abovesaid mandates shall in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 30<sup>th</sup> AGM unless the approval for the Proposals is obtained from the shareholders of the Company at the forthcoming 30<sup>th</sup> AGM.

On 19 April 2024, the Board announced that the Company proposes to seek our shareholders' approval for the Proposals at the forthcoming 30<sup>th</sup> AGM.

The purpose of this Statement/Circular is to provide you with relevant details on the Proposals together with the Board's recommendation thereon and to seek your approval for the Ordinary Resolutions pertaining to the Proposals to be tabled at our forthcoming 30<sup>th</sup> AGM to be held on 30 May 2024.

**WE ADVISE YOU TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS STATEMENT/CIRCULAR BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS**



**PART A**

**PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE**

## 1. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

The Company had at its 29<sup>th</sup> AGM held on 1 June 2023, obtained shareholders' mandate for the Company's Proposed Share Buy-Back and the mandate will lapse at the conclusion of the forthcoming 30<sup>th</sup> AGM unless the mandate is renewed.

No Shares were purchased to date since the approval was obtained at the 29<sup>th</sup> AGM.

The Board is seeking shareholders' approval at the forthcoming 30<sup>th</sup> AGM for the Proposed Renewal of Share Buy-Back Mandate.

The Proposed Share Buy-Back is subject to Section 127 of the Act, the Listing Requirements and any prevailing laws, rules, regulations, guidelines and orders issued by the relevant authorities at the time of purchase.

The authority from the shareholders would become effective immediately upon the passing of the ordinary resolution for the Proposed Renewal of Share Buy-Back Mandate at the forthcoming 30<sup>th</sup> AGM, and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company, following the general meeting at which such mandate was passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders in a general meeting,

whichever is the earlier.

### 1.1 Maximum Number or Percentage of Shares to be Acquired

The maximum aggregate number of MBMR Shares, which may be purchased by our Company, shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time pursuant to Paragraph 12.09 of the Listing Requirements.

The actual number of Shares to be purchased pursuant to the Proposed Share Buy-Back, the total amount of funds to be utilised for each purchase and the timing of the purchase(s) will depend on, among others, the market conditions and sentiments of the stock market of Bursa Securities as well as the availability of the retained earnings and financial resources of our Company as at the point of purchase.

If the Board decides to cancel the Purchased Shares, our Company's issued share capital (including treasury shares) shall be diminished by the Shares so cancelled and the costs of the Shares shall be applied in the reduction of the profits otherwise available for distribution as dividends.

As at the LPD, the maximum number of MBMR Shares that can be purchased and/or held by the Company pursuant to the Proposed Share Buy-Back will be as follows:-

	<b>No. of Shares</b>
Total number of issued Shares	390,887,653
10% of the total number of issued Shares	39,088,765
Maximum number of Shares which may be purchased in respect of the Proposed Share Buy-Back	39,088,765

## 1.2 Maximum Amount of Funds to be Allocated and the Source of Funds

The funding for the Proposed Share Buy-Back will be from internally generated funds and/or external bank borrowings and the maximum amount of funds to be used for the purchase of MBMR Shares pursuant to the Proposed Share Buy-Back shall not exceed the Company's retained earnings. All Purchased Shares may be cancelled or retained as treasury shares or a combination of both. The Treasury Shares may, among others, be distributed as share dividends, resold on Bursa Securities and/or cancelled.

The actual amount of funds to be utilised for the Proposed Share Buy-Back will only be determined later depending on the actual number of Shares to be purchased, the availability of funds at the time of purchase and other relevant cost factors.

The Proposed Share Buy-Back, if funded via internally generated funds, is not expected to have a material impact on the Group's financial position. In the event the Proposed Share Buy-Back is funded through external bank borrowings, the Board will ensure that the Company has sufficient funds to repay such borrowings and that the repayment thereof would not have any material effect on the cash flow of the Group.

The Company's retained earnings based on our Company's latest audited financial statements for the financial year ended 31 December 2023 was RM251.5 million.

## 1.3 Treatment of Purchased Shares

Pursuant to Section 127(4) of the Act, the Directors may, at its discretion, deal with the Purchased Shares in the following manner:-

- (a) to cancel all or part of the Purchased Shares; or
- (b) to retain all or part of the Purchased Shares as Treasury Shares as defined in Section 127 of the Act.

Based on Section 127(7) of the Act, where such Purchased Shares are held as Treasury Shares, our Directors may at their discretion:-

- (a) distribute all or part of the Treasury Shares as dividends to our shareholders, such dividends to be known as "shares dividends";
- (b) resell all or part of the Treasury Shares in accordance with the Listing Requirements;
- (c) transfer all or part of the Treasury Shares for the purposes of or under an employees' share scheme established by the Company and/or its subsidiaries;
- (d) transfer all or part of the Treasury Shares as purchase consideration;
- (e) cancel all or part of the Treasury Shares;
- (f) sell, transfer or otherwise use the Treasury Shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe; and/or
- (g) deal with the Treasury Shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities from time to time being in force.

As at the date of this Statement/Circular, the Board has yet to make a decision with regard to the treatment of the Shares so purchased in the future and will take into consideration the effect of such treatment to MBMR Group in arriving at its decision.

While the Purchased Shares are held as Treasury Shares, the Treasury 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, without limiting the generality of the provision of Section 127 of the Act, the provision of any law or the requirements of the Company's Constitution or the Listing Requirements on substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting. An immediate announcement will be made to Bursa Securities in respect of the intention of the Board on the treatments of the Purchased Shares, i.e. notification of purchase, resale or transfer or cancellation of the Purchased Shares as per the Listing Requirements.

Where the Directors resolve to cancel the Shares so purchased or cancel any treasury shares, the number of the Company's issued shares shall be diminished by the cancellation of the Shares so cancelled. It is pertinent to note that the cancellation of Shares made pursuant to Section 127(15) of the Act shall not be deemed to be a reduction in share capital.

#### **1.4 Public Shareholding Spread**

The Proposed Share Buy-Back will be carried out in accordance with the prevailing laws at the point of purchase including compliance with the 25% of our Company's total listed Shares (excluding treasury shares) are in the hands of public shareholders as required under Paragraph 8.02(1) of the Listing Requirements.

As at the LPD, the public shareholding spread of our Company was 49.299% of the total MBMR Shares. The Board will endeavour to ensure that the Proposed Share Buy-Back will not breach Paragraph 12.14 of the Listing Requirements, which states that a listed corporation must not purchase its own shares on Bursa Securities if the purchase(s) will result in the listed corporation being in breach of the public shareholding spread requirements as set out under Paragraph 8.02(1) of the Listing Requirements.

#### **1.5 Implication of the Code**

As it is not intended for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory offer under the Code by any of the Company's substantial shareholders and/or persons acting in concert with them, the Board will ensure that such number of MBMR Shares so purchased, retained as treasury shares, cancelled and/or distributed pursuant to the Proposed Share Buy-Back would not result in the triggering of any mandatory offer obligation on the part of the Company's substantial shareholders and/or persons acting in concert with them. In this connection, the Board is mindful of the requirements under the Code when making any purchase of MBMR Shares pursuant to the Proposed Share Buy-Back.

#### **1.6 Purchase of MBMR Shares, and Resale, Transfer and/or Cancellation of Treasury Shares in the Preceding 12 months**

The Company has not made any purchases of its own Shares and resale, transfer and/or cancellation of Treasury Shares in the past 12 months preceding the LPD. As at the LPD, our Company does not hold any Treasury Shares.

## **2. RATIONALE FOR THE PROPOSED SHARE BUY-BACK**

The potential benefits of the Proposed Share Buy-Back, if implemented, to the Company and its shareholders are as follows:-

- (a) The Group is able to utilise its surplus financial resources that the Group has no immediate use to purchase MBMR Shares when the price is deemed undervalued;
- (b) The Proposed Share Buy-Back may assist in stabilising the supply and demand as well as the market price of MBMR Shares and thereby supporting the fundamental value of MBMR Shares;
- (c) Treasury Shares may be distributed as share dividends which would serve as a reward to the shareholders of the Company or be resold on the market of Bursa Securities at a higher price with the intention of realising potential gain without affecting the total issued share capital of the Company; and
- (d) The Proposed Share Buy-Back is expected to enhance shareholders' value regardless of whether the Purchased Shares are maintained as Treasury Shares or cancelled, as it would result in the reduction of the number of shares being used for the purposes of computing the consolidated EPS. This in turn is expected to improve the consolidated EPS, thereby making the shares more attractive to investors.

### 3. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

The potential advantages of the Proposed Share Buy-Back are outlined in Section 2 of Part A of this Statement/Circular.

The potential disadvantages of the Proposed Share Buy-Back, if implemented, are as follows:-

- (a) The Proposed Share Buy-Back will reduce the financial resources of the Company and might result in the Group forgoing other alternative investment opportunities which may emerge in the future; and
- (b) As the Proposed Share Buy-Back can only be made out of retained profits of the Company, the amount of retained profits available for distribution as dividends or bonus issues to the shareholders will be reduced accordingly.

The Board is mindful of the interests of the Company and that of its shareholders in undertaking the Proposed Share Buy-Back. The Proposed Share Buy-Back is not expected to cause any potential material disadvantage to the Company and its shareholders as any share buy-back exercise shall be undertaken after an in-depth consideration of the financial resources and resultant impacts on the Group.

### 4. EFFECTS OF THE PROPOSED SHARE BUY-BACK

In the event the Proposed Share Buy-Back is implemented in full, the proforma effects on the issued share capital, NA, working capital, earnings, dividends and shareholdings of Directors and Substantial Shareholders are as follows:-

#### 4.1 Share Capital

The effect of the Proposed Share Buy-Back on the issued share capital of the Company will depend on whether the Purchased Shares are cancelled or retained as Treasury Shares. The Proposed Share Buy-Back will result in a reduction of the issued share capital of the Company if the Purchased Shares are cancelled. Conversely, if all the Purchased Shares are retained as treasury shares, the Proposed Share Buy-Back will not have any effect on the issued share capital of the Company. Nevertheless, certain rights attached to the Purchased Shares in relation to voting, dividends and participation in other distributions or otherwise will be suspended while they are held as Treasury Shares. While these Purchased Shares are retained as Treasury Shares, the Act prohibits such Treasury Shares be taken in calculating the number or percentage of Shares or of a class of Shares in the Company for any purpose including, without limiting the generality of this provision, the provisions of any law or requirements of the Constitution of the Company or the Listing Requirements on substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the results of a vote on a resolution at a meeting.

In the event the Proposed Share Buy-Back is carried out in full and all the Purchased Shares are cancelled, the present issued share capital of the Company will be reduced by the number of Shares so cancelled as follows:-

	<b>No. of Shares</b>
Existing issued share capital as at LPD	390,887,653
Assuming all the Purchased Shares pursuant to the Proposed Share Buy-Back are cancelled	(39,088,765)
Resultant issued share capital	351,798,888

## 4.2 Directors' and Substantial Shareholders' Shareholdings

Assuming the Proposed Share Buy-Back is carried out in full by the Company, the effects of the share purchase on the shareholdings of Substantial Shareholders and Directors are as follows:-

	As at the LPD				Buy-back Scenario*			
	Direct		Indirect		Direct		Indirect	
	No. of MBMR Shares held	%	No. of MBMR Shares held	%	No. of MBMR Shares held	%	No. of MBMR Shares held	%
<b><u>Substantial Shareholders</u></b>								
Med-Bumikar Mara Sdn Bhd	193,504,349	49.50	2,213,402 <sup>(1)</sup>	0.57 <sup>(1)</sup>	193,504,349	55.00	2,213,402 <sup>(1)</sup>	0.63 <sup>(1)</sup>
<b><u>Directors</u></b>								
Aqil bin Ahmad Azizuddin	764,187	0.20	277,331 <sup>(2)</sup>	0.07 <sup>(2)</sup>	764,187	0.22	277,331 <sup>(2)</sup>	0.08 <sup>(2)</sup>
Low Hin Choong	32,000	0.01	1,200,056 <sup>(3)</sup>	0.31 <sup>(3)</sup>	32,000	0.01	1,200,056 <sup>(3)</sup>	0.34 <sup>(3)</sup>
Ng Seng Kong	160,000	0.04	-	-	160,000	0.05	-	-
Wong Fay Lee	33,100	0.01	-	-	33,100	0.01	-	-

Notes:-

<sup>(\*)</sup> Assuming 39,088,765 Shares are bought-back by MBMR.

<sup>(1)</sup> Deemed interest under Section 8 of the Act by virtue of its shareholding in Central Shore Sdn Bhd.

<sup>(2)</sup> Deemed interest under Section 8 of the Act by virtue of his shareholding in Azizuddin Sdn Bhd and Cendera Azizuddin Sdn Bhd

<sup>(3)</sup> Interests of spouse by virtue of Section 59(11)(c) of the Act.

## 4.3 NA

The effect of the Proposed Share Buy-Back on the NA of the MBMR Group is dependent on the number of Purchased Shares, the purchase price of the MBMR Shares, the effective funding cost, if any and the treatment of the Purchased Shares.

The Proposed Share Buy-Back will decrease the NA per share of the Group if the purchase price is more than the NA per share at the time of the purchase. Conversely, the NA per share of the Group will increase if the purchase price is less than the NA per share at the time of the purchase.

## 4.4 Working Capital and Cash Flow

The Proposed Share Buy-Back will result in an outflow of cash and thereby reduce the working capital of the MBMR Group, the quantum of which depends on the purchase price of MBMR Shares and the actual number of Purchased Shares.

On the other hand, if Treasury Shares are resold, at a higher selling price than the initial purchase price, then the cash flow and working capital of the Group will increase. The quantum of increase depends on the actual selling price and the number of Treasury Shares resold.

#### 4.5 Gearing

The effects of the Proposed Share Buy-Back on the gearing of the Group will depend on the proportion of borrowing utilised to fund any purchase of the Purchased Shares. At this juncture, we have not determined whether to use any form of borrowings for purposes of the Proposed Share Buy-Back.

Nevertheless, all else being equal, assuming that the Treasury Shares are retained by the Group and no borrowing is being utilised to fund any purchase of the Purchased Shares, the Proposed Share Buy-Back may increase the gearing of the Group as the equity will be reduced by the cost of shares acquired and held as Treasury Shares.

#### 4.6 Earnings

The effect of the Proposed Share Buy-Back on the EPS of the Group is dependent on the purchase price of the MBMR Shares, the effective funding cost, the number of Purchased Shares and/or the interest income forgone in connection with funding such Purchased Shares. If the Purchased Shares are retained as Treasury Shares or cancelled subsequently, the number of shares applied in the computation of the EPS will be reduced and this may improve the consolidated EPS of MBMR Group.

### 5. SHARE PRICE PERFORMANCE

The monthly highest and lowest prices of MBMR Shares as traded on Bursa Securities for the past twelve (12) months are as follows:-

Month	Highest (RM)	Lowest (RM)
<b>2023</b>		
April	3.62	3.19
May	3.43	3.17
June	3.43	3.23
July	3.35	3.20
August	4.20	3.16
September	3.93	3.58
October	3.91	3.67
November	4.46	3.77
December	4.59	4.07
<b>2024</b>		
January	4.43	4.12
February	4.66	4.39
March	4.66	4.30
Last traded market price on the LPD		4.64

(Source: Share Investor)

### 6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

None of the Directors and/or Substantial Shareholders or Persons Connected to them, has any interest, direct or indirect, in the Proposed Share Buy-Back and in the resale of Treasury Shares, if any.

### 7. APPROVAL REQUIRED

The Proposed Share Buy-Back is subject to your approval at our forthcoming 30<sup>th</sup> AGM.

## 8. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board having considered and deliberated on the Proposed Share Buy-Back is of the view that the terms and conditions of the Proposed Share Buy-Back are in the best interests of the Group. Accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the Company's forthcoming 30<sup>th</sup> AGM.

## 9. AGM

The resolution in respect of the Proposed Renewal of Share Buy-Back Mandate will be tabled at the forthcoming 30<sup>th</sup> AGM. This Statement/Circular is available at <https://mbmr.com.my/investors/annual-general-meetings/> together with the Annual Report 2023, Notice of 30<sup>th</sup> AGM, Proxy Form and the Administrative Details for 30<sup>th</sup> AGM.

The 30<sup>th</sup> AGM of the Company will be held virtually through live streaming from the broadcast venue at 23-01, Level 23, Menara MBMR, 1 Jalan Syed Putra, 58000 Kuala Lumpur ("**Broadcast Venue**") on Thursday, 30 May 2024 at 2.00 p.m., using Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at <https://tiih.online>.

Shareholders **will not be allowed** to attend this 30<sup>th</sup> AGM in person at the Broadcast Venue on the day of the meeting.

**Please read the Notes in the Notice of 30<sup>th</sup> AGM carefully and follow the procedures in the Administrative Details for 30<sup>th</sup> AGM in order to participate remotely via RPV facilities.**

If you are unable to participate in this 30<sup>th</sup> AGM, you may appoint a proxy(ies) to do so on your behalf by completing, signing and depositing the Proxy Form in accordance with the instruction contained therein. Alternatively, you may appoint the Chairman of the meeting as your proxy and indicate your voting instruction in the Proxy Form.

The completed Proxy Form must be deposited at the Company's Share Registrar's office at 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 alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time set for convening the 30<sup>th</sup> AGM, which is no later than **Tuesday , 28 May 2024 at 2.00 p.m.** or any adjournment thereof. You may also submit the proxy appointment electronically via TIIH Online at <https://tiih.online> before the proxy appointment cut off time as mentioned above. For further information on electronic lodgement of Proxy Form, please refer to Administrative Details for 30<sup>th</sup> AGM.

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**PART B**

**PROPOSED RENEWAL OF RRPT MANDATE**

## 1. DETAILS OF THE PROPOSED RENEWAL OF RRPT MANDATE

### 1.1 Provisions under the Listing Requirements

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek shareholders' mandate in respect of RRPT subject to the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the following thresholds in relation to a listed corporation with a share capital of RM60.0 million or above:-
  - (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
  - (ii) the percentage ratios of such RRPT is 1.0% or more,whichever is the higher;
- (c) issuance of circular to shareholders by the Company for the Proposed Renewal of RRPT Mandate includes the information as specified in the Listing Requirements. The circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder or interested Person Connected with the 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 in respect of the RRPT. An Interested Director or Major Shareholder must ensure that Persons Connected with him/them abstain from voting on the resolution in respect of the RRPT; and
- (e) the Company immediately announces to Bursa Securities when the actual value of a RRPT entered into by the Company, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where the Company has obtained the shareholders' mandate, the provisions of Paragraph 10.08 of the Listing Requirements will not apply.

### 1.2 Principal Business Activities of Our Group

MBMR is an automotive group with diverse investments in the automotive industry. Its two core businesses are:-

(a) Motor Trading

Distributorship and dealership of major international vehicle brands of vehicles in Malaysia. The Group is well represented in all segments of the market from light trucks to medium and heavy-duty trucks and buses in the commercial vehicle market, and from compact entry level cars to luxury cars in the passenger vehicle market; and

(b) Automotive Parts Manufacturing

The Group's automotive parts manufacturing division, consisting of steel wheels, safety restraint products (airbags, seat belts and steering wheels) and noise, vibration and harshness (NVH) products and provision of tyre assembly services, is a significant supplier to all the major car brands in Malaysia.

### 1.3 Class of Related Parties and Nature of the RRPT for the Proposed Renewal of RRPT Mandate

The Proposed Renewal of RRPT Mandate will apply to the following RRPT:-

Transacting Subsidiary	Nature and Description of Transaction	Transacting Related Parties	Estimated Value as disclosed in the Circular dated 28 April 2023 (RM)	Actual Value transacted from date of preceding AGM up to LPD <sup>(i)</sup> (RM)	Estimated Aggregate Value during the Validity Period <sup>(ii)</sup> (RM)
DMSB	Purchase of vehicle stocks and spare parts from HMSM	HMSM <sup>(1)</sup>	100,000,000	33,478,071	55,000,000
DMMS	Purchase of vehicle stocks and spare parts from PSSB	PSSB <sup>(2)</sup>	1,700,000,000	1,307,248,812	1,800,000,000
DMSB	Purchase of spare parts from DMC	DMC <sup>(3)</sup>	3,000,000	1,525,959	3,000,000

Notes:-

<sup>(i)</sup> The actual value represents the RRPT transacted from 1 June 2023 up to the LPD. The aggregate actual values transacted did not exceed the estimated values by ten per cent (10%) or more.

<sup>(ii)</sup> The estimated values for the RRPT were derived based on budgeted and forecasted figures. The actual values transacted may vary from the estimated value stated herein.

No	Transacting Related Parties	Nature of Relationship
(1)	HMSM	<p>The interested Person Connected to Major Shareholder of DMSB is HML, whose interest can be illustrated as follows:-</p> <ul style="list-style-type: none"> <li>• MBMR, which holds 51.5% of the shares in DMSB, has a 20% shareholding in HMSM.</li> <li>• TMC has a 50.3% shareholding in HML, which holds 80% of the shares in HMSM.</li> <li>• TMC also holds 100% shareholdings in DMC which in turn has 18.5% shareholdings in DMSB.</li> </ul> <p>None of the representatives of HML, TMC and HMSM sits in the Board of DMSB.</p>
(2)	PSSB	<p>The interested Major Shareholders of DMSB, i.e. DMC and Mitsui has interest in PSSB as follows:-</p> <ul style="list-style-type: none"> <li>• PSSB is a wholly owned subsidiary of POSB in which MBMR, DMSB and major shareholders of DMSB, namely Mitsui and DMC, hold shares in POSB as follows:- <ul style="list-style-type: none"> <li>- MBMR – 20%</li> <li>- DMSB – 5%</li> <li>- Mitsui – 7%</li> <li>- DMC – 20%</li> </ul> </li> </ul> <p>The Interested Directors are as follows:-</p> <ol style="list-style-type: none"> <li>a. Hirotaka Yanagi (representative of DMC)</li> <li>b. Yuko Mochida (representative of DMC)</li> <li>c. Isako Yamamoto (representative of Mitsui)</li> <li>d. Katsumi Ohori (representative of Mitsui)</li> </ol>
(3)	DMC	<p>DMC is a Major Shareholder of DMSB, holding 18.5% shareholding in DMSB.</p> <p>The Interested Directors, who are the representatives of DMC are as follows:-</p> <ol style="list-style-type: none"> <li>a. Hirotaka Yanagi</li> <li>b. Yuko Mochida</li> </ol>

## **2. REVIEW PROCEDURES FOR THE RRPT**

Our Company has established the following procedures and guidelines to ensure that the RRPT are undertaken on an arm's length basis as well as on normal commercial terms and transaction prices that are not more favourable to the Related Parties than those normally available to the public and are not to the detriment of the minority shareholders:-

- 2.1 All companies within our Group shall only enter into the RRPT after taking into account the pricing, level of service, quality of product compared with market prices and industry standards. At least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by 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. Where quotations or comparative pricing from unrelated third parties cannot be obtained, the pricing of any RRPT entered into will be determined based on usual business practices and policies of the Group to ensure that the RRPT is not detrimental to our Company;
- 2.2 All new RRPT, shall be reviewed and approved by the AC before the transactions are entered into;
- 2.3 If a member of the AC has an interest in any particular transaction, he or she must abstain from any deliberation (but may be requested by the other members of the AC to explain or furnish such information as considered necessary) and also voting on the matter at the AC meeting in respect of that transaction;
- 2.4 Proper records shall be maintained to capture all the RRPT entered into pursuant to the shareholders' mandate to ensure accurate disclosure thereof. Disclosure shall be made in the annual report of the Company of the aggregate value of transactions conducted in accordance with the given mandate;
- 2.5 The AC shall review relevant audit reports, where available, to ascertain that the guidelines and the procedures established to monitor the RRPT are complied with;
- 2.6 The AC shall have overall responsibility for the determination of the review procedures;
- 2.7 The AC may periodically review the relevant RRPT and the existing procedures to ascertain that they have been complied with; and
- 2.8 If during the periodic review, the AC is of the view that the abovementioned procedures are no longer sufficient to ensure that the RRPT are undertaken on an arm's length basis as well as on normal commercial terms and transaction prices that are not more favourable to the Related Party than those normally available to the public, the AC shall have the discretion to request for additional procedures to be imposed on all the RRPT.

## **3. AMOUNT DUE AND OWING TO THE COMPANY BY THE RELATED PARTIES**

As at the financial year ended 31 December 2023, there was no amount due and owing by the Related Parties pursuant to the RRPT as per Section 1.3 of Part B of this Statement/Circular that exceeded the credit terms. Hence, there was no late payment charges imposed on the Related Parties.

#### **4. STATEMENT BY THE AC**

- 4.1 The AC has the overall responsibility of determining whether the procedures for reviewing the transactions that involve the Related Parties are appropriate to ensure compliance with the relevant statutory requirements. The AC has reviewed the RRPT procedures mentioned in Section 2 of Part B of this Statement/Circular and is of the view that the stipulated procedures are sufficient to ensure that the RRPT undertaken on transaction prices are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of our minority shareholders.
- 4.2 The AC is of the view that our Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner and such procedures and processes shall be reviewed annually or as and when the need arises.

#### **5. RATIONALE AND BENEFIT OF THE PROPOSED RENEWAL OF RRPT MANDATE**

The RRPT entered, or to be entered into by our Group are in the ordinary course of business and are undertaken on terms and transaction prices 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 and our Group. It is envisaged that in the normal course of their business, transactions between our Group and the Related Parties are likely to occur from time to time and it may be impractical to seek shareholders' approval on a case to case basis before entering into such RRPT.

The Proposed Renewal of RRPT Mandate will enable our Group to carry out RRPT which are recurrent of a revenue or trading nature, necessary for day-to-day operations, and time-sensitive in nature, as well as to eliminate the need to announce and to convene separate general meetings on each occasion to seek prior approval of our shareholders for the RRPT.

The Proposed Renewal of RRPT Mandate will substantially reduce the expenses associated with the convening of such general meetings, improve administrative efficiency and allow human resources and time to be channelled towards attaining other corporate objectives of the Group.

The RRPT are intended to meet the business needs of the Group at the best possible terms. By transacting with the Related Parties, our Group is able to purchase raw materials and components and obtain services, it otherwise would be unable to in the absence of such relationship, that are necessary for its business of supplying automotive products to its major customers. Where the Group purchases vehicles and parts from Related Parties for its motor trading business and sells goods and services to Related Parties, the Group transacts on arm's length terms also has the benefit of understanding the Related Parties' business needs better based on its familiarity with the background and management of the Related Parties.

#### **6. EFFECTS OF THE PROPOSED RENEWAL OF RRPT MANDATE**

The Proposed Renewal of RRPT Mandate will not have any effect on our issued share capital and substantial shareholders' shareholding as well as is not expected to have any material effect on the NA per share, EPS and gearing of our Group for the financial year ending 31 December 2024.

## **7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

### **7.1 Interests of Directors, Major Shareholders of Our Company and/or Persons Connected with Them**

None of the Directors and/or Major Shareholders of our Company as well as Persons Connected with them, has any interests, direct or indirect, in the Proposed Renewal of RRPT Mandate.

### **7.2 Interests of Directors, Major Shareholders of Our Subsidiaries and/or Persons Connected with Them**

Details of the direct and indirect shareholdings of the Interested Directors and/or Major Shareholders of our subsidiaries and/or Persons Connected with them are set out in the Notes to Section 1.3 of Part B of this Statement/Circular, where applicable.

Save as disclosed above, none of the Directors and/or Major Shareholders of our subsidiaries as well as Persons Connected with them, has any interests, direct or indirect, in the Proposed Renewal of RRPT Mandate.

As at the LPD, none of the Interested Directors and/or interested Major Shareholders holds any direct shareholdings in our Company. To the best of our knowledge, as at the LPD, none of the Interested Directors and/or interested Major Shareholders holds any indirect shareholdings in our Company.

The Interested Directors of our subsidiaries, as set out in the Notes to Section 1.3 of Part B of this Statement/Circular, have abstained and will continue to abstain from deliberating and voting in respect of the relevant RRPT under the Proposed Renewal of RRPT Mandate, at the board meetings of our subsidiaries. In addition, the Interested Directors will abstain from deliberating and voting in respect of their direct and indirect shareholdings in our Company (if any) on the resolution in respect of the Proposed Renewal of RRPT Mandate at the forthcoming 30<sup>th</sup> AGM.

The interested Major Shareholders of our subsidiaries, as set out in the Notes to Section 1.3 of Part B of this Statement/Circular, will abstain from deliberating and voting in respect of their direct and indirect shareholdings in our Company (if any) on the resolution in respect of the Proposed Renewal of RRPT Mandate at the forthcoming 30<sup>th</sup> AGM.

Further, the aforesaid Interested Directors and interested Major Shareholders of our subsidiaries have undertaken that they will ensure that the Persons Connected with them will abstain from deliberating and voting on the resolution in respect of the Proposed Renewal of RRPT Mandate at the forthcoming 30<sup>th</sup> AGM, in which they and/or Persons Connected to them have interests.

## **8. APPROVAL REQUIRED**

The Proposed Renewal of RRPT Mandate is subject to your approval at the Company's forthcoming 30<sup>th</sup> AGM.

## **9. DIRECTORS' STATEMENT AND RECOMMENDATION**

Our Board (other than the Interested Directors, where applicable), having considered and deliberated on all aspects of the Proposed Renewal of RRPT Mandate, is of the view that the Proposed Renewal of RRPT Mandate is in the best interests of the Group. Accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of RRPT Mandate at the Company's forthcoming 30<sup>th</sup> AGM.

## 10. AGM

The resolution in respect of the Proposed Renewal of RRPT Mandate will be tabled at the forthcoming 30<sup>th</sup> AGM. This Statement/Circular is available at <https://mbmr.com.my/investors/annual-general-meetings/> together with, the Annual Report 2023, Notice of 30<sup>th</sup> AGM, Proxy Form and the Administrative Details for 30<sup>th</sup> AGM.

The 30<sup>th</sup> AGM of the Company will be held virtually through live streaming from the broadcast venue at 23-01, Level 23, Menara MBMR, 1 Jalan Syed Putra, 58000 Kuala Lumpur ("**Broadcast Venue**") on Thursday, 30 May 2024 at 2.00 p.m., using Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at <https://tiih.online>.

Shareholders **will not be allowed** to attend this 30<sup>th</sup> AGM in person at the Broadcast Venue on the day of the meeting.

**Please read the Notes in the Notice of 30<sup>th</sup> AGM carefully and follow the procedures in the Administrative Details for 30<sup>th</sup> AGM in order to participate remotely via RPV facilities.**

If you are unable to participate in this 30<sup>th</sup> AGM, you may appoint a proxy(ies) to do so on your behalf by completing, signing and depositing the Proxy Form in accordance with the instructions contained therein. Alternatively, you may appoint the Chairman of the meeting as your proxy and indicate your voting instruction in the Proxy Form.

The completed Proxy Form must be deposited at the Company's Share Registrar's office at 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 alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time set for convening the 30<sup>th</sup> AGM, which is no later than **Tuesday, 28 May 2024 at 2.00 p.m.** or any adjournment thereof. You may also submit the proxy appointment electronically via TIIH Online at <https://tiih.online> before the proxy appointment cut off time as mentioned above. For further information on electronic lodgement of Proxy Form, please refer to Administrative Details for 30<sup>th</sup> AGM.

## 11. FURTHER INFORMATION

Please refer to Appendix I for further information.

Yours faithfully

For and on behalf of the Board of  
**MBM RESOURCES BERHAD**

**DATO' ANWAR BIN HAJI @ AJI**

Senior Independent Non-Executive Director

**FURTHER INFORMATION****1. DIRECTORS' RESPONSIBILITY STATEMENT**

Our Directors have seen and approved this Statement/Circular and they collectively and individually accept full responsibility for the accuracy of the information in this Statement/Circular. They confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts which, if omitted, would make any statement in this Statement/Circular misleading.

**2. MATERIAL LITIGATION**

As at the LPD, neither we nor any of our subsidiaries are engaged in any material litigation, claims and/or arbitration either as plaintiff or defendant, which may materially or adversely affect our income from, title to, or possession of any of our assets and/or business, and we are not aware of any proceedings, pending or threatened, or of any facts that are likely to give rise to any proceedings which may materially or adversely affect the financial position or business of our Group.

**3. MATERIAL CONTRACTS**

Neither we nor any of our Company and/or subsidiaries have entered into any other material contract (not being contracts entered into in the ordinary course of business) within two (2) years immediately preceding the date of this Statement/Circular.

**4. DOCUMENTS FOR INSPECTION**

Copies of the following documents may be inspected at our registered office at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur during office hours from Mondays to Fridays (except public holidays) from the date of this Statement/Circular up to and including the date of our AGM:-

- (a) our Company's Constitution; and
- (b) our audited consolidated financial statements for the past two (2) financial years ended 31 December 2022 and 2023.

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<b>EXTRACT OF RESOLUTIONS ON THE PROPOSALS</b>
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**ORDINARY RESOLUTION****PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE AUTHORITY TO THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PER CENTUM (10%) OF THE TOTAL NUMBER OF ISSUED SHARES**

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

- (i) the aggregate number of issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

("Proposed Share Buy-Back").

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution is passed, at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:-

- (i) To cancel all or part of the Purchased Shares;
- (ii) To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- (iii) To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- (iv) To resell all or part of the treasury shares;
- (v) To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- (vi) To transfer all or part of the treasury shares as purchase consideration;
- (vii) To sell, transfer or otherwise use the treasury shares for such other purposes as the Minister charged with responsibility for companies may by order prescribe; and/or
- (viii) To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

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## ORDINARY RESOLUTION

### **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE COMPANY AND/OR ITS SUBSIDIARIES TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES**

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 1.3 of Part B of the Statement/Circular to Shareholders dated 30 April 2024 ("the Related Parties") provided that such transactions are:-

- (a) necessary for the day-to-day operations;
- (b) undertaken in the ordinary course of business and at arm's length basis and on normal commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public; and
- (c) are not to the detriment of the minority shareholders of the Company,

("Proposed Renewal of RRPT Mandate").

THAT such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which the Proposed Renewal of RRPT Mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") but must 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 at a general meeting;

whichever is the earlier.

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of RRPT Mandate."

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