

**THIS STATEMENT 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.

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**CEPATWAWASAN GROUP BERHAD**

Registration No. 200101000743 (536499-K)

(Incorporated in Malaysia)

**SHARE BUY-BACK STATEMENT**

IN RELATION TO THE

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

The resolution in respect of the above proposal will be tabled at the **Twenty-Fourth Annual General Meeting** of Cepatawawasan Group Berhad to be held at Amadeus III, Level 2, Sabah Hotel Sandakan, KM1, Jalan Utara, 90703 Sandakan, Sabah on Tuesday, 21 May 2024 at 11.00 a.m. and the Form of Proxy are sent together with the Annual Report 2023. Shareholders are advised to refer to the Notice of the Twenty-Fourth Annual General Meeting and the Form of Proxy. The Form of Proxy must be deposited at the Company's Share Registrar's Office at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or submit the Form of Proxy electronically via TIIH Online at <https://tiih.online> in accordance with the procedures set out in the Administrative Guide not later than forty-eight (48) hours before the time appointed for holding the Twenty-Fourth Annual General Meeting or at any adjournment thereof.

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Last date and time for lodging the Form of Proxy	:	19 May 2024 at 11.00 a.m.
Date and time of the Twenty-Fourth Annual General Meeting	:	21 May 2024 at 11.00 a.m.

**This Statement is dated 22 April 2024**

## 1.0 INTRODUCTION

At the Company's Twenty-Third Annual General Meeting ("**AGM**") held on 23 May 2023, Cepatawawasan Group Berhad ("**Company**" or "**CGB**") had obtained shareholders' approval for the Company to purchase up to 10% of the total number of issued shares of CGB ("Share Buy-back Mandate"). The Share Buy-back Mandate shall, in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), expire at the conclusion of the Twenty-Fourth AGM unless a renewal of the mandate is obtained from shareholders.

On 27 February 2024, the Board of Directors ("**Board**") announced the Company's intention to seek a renewal of its shareholders' authorisation for the Share Buy-back Mandate ("Proposed Renewal of Share Buy-back Mandate") at the Twenty-Fourth AGM.

The Share Buy-back Mandate shall be effective upon the passing of the ordinary resolution and will remain in effect until the conclusion of the next AGM of the Company, 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 shareholders of the Company in a general meeting, whichever occurs first.

The purpose of this Statement is to provide you with details of the Proposed Renewal of Share Buy-back Mandate, and to seek your approval for the ordinary resolution to be tabled at the Company's Twenty-Fourth AGM.

## 2.0 PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

### 2.1 Rationale

The Proposed Renewal of Share Buy-back Mandate will enable CGB to utilise its surplus financial resources, which is not immediately required for other uses, to purchase the ordinary shares of the Company ("**Shares**") from the market. The share buy-back may stabilise the supply, demand and price of the Shares in the open market, thereby supporting the fundamental value of the Shares.

Where the Shares bought are retained in treasury by the Company ("**Treasury Shares**"), the Board would have an option to distribute Treasury Shares as dividends to reward shareholders and/or resell Treasury Shares at a higher price on Bursa Securities and utilise the proceeds for any feasible investment opportunity arising in the future, or as working capital.

### 2.2 Funding

The maximum amount of funds to be allocated for the Share Buy-back Mandate will be subject to the retained earnings of the Company. The Share Buy-back Mandate will be funded from internally generated funds and/or bank borrowings. As at 31 December 2023, the audited retained earnings of the Company is set out below:-

	Audited as at
	31 December 2023
	RM'000
Retained profits	<u>17,278</u>

## 2.3 Risk Assessment

The Proposed Renewal of Share Buy-back Mandate is not expected to have any potential material disadvantages to the Company and its shareholders as any share buy-back exercise will be undertaken only after in-depth consideration of the financial resources of CGB and its subsidiaries (“**CGB Group**” or “**Group**”) and of the resultant impact on CGB Group.

The Share Buy-back Mandate, if implemented, would reduce the financial resources of the Group, which may result in the Group having to forgo other feasible investment opportunities that may emerge in the future and/or any income that may be derived from funds utilised for the Share Buy-back Mandate.

The financial resources of the Group may however increase if the Treasury Shares are resold at prices higher than the purchase price. Other benefits of the Proposed Renewal of Share Buy-back Mandate are outlined in Section 2.1 above.

In any case, the Board in exercising any decision on the Share Buy-back Mandate will be mindful of the interests of the Company and its shareholders.

## 2.4 Effects of Share Buy-back Mandate

On the assumption that the Share Buy-back Mandate is implemented in full, the proforma effects on the share capital, net assets, working capital and earnings are as follows:

### (a) Share Capital

In the event all the shares purchased pursuant to the Share Buy-back Mandate (“**Purchased Shares**”) (including the existing Treasury Shares) are subsequently cancelled, the issued share capital of CGB will be as follows:

	<b>No. of Shares</b>
Total number of issued shares as at 31 March 2024, being the latest practicable date prior to the printing of this Statement (“LPD”) (including the existing Treasury Shares)	318,446,210
Cancellation of the Purchased Shares (including the existing Treasury Shares)	(31,844,621)
Total number of issued shares after the Share Buy-back Mandate	<hr/> 286,601,589 <hr/>

The Share Buy-back Mandate is not expected to have any effect on the issued share capital of CGB if the Purchased Shares are retained as Treasury Shares but the rights attaching to the Treasury Shares as to voting, dividends and participation in other distribution or otherwise will be suspended. While these Purchased Shares remain as Treasury Shares, the Companies Act 2016 prohibits such Purchased Shares be taken in calculation of the number or percentage of Shares in the Company for any purpose whatsoever including substantial shareholding, takeovers, notices, requisitioning of meetings, quorum for meetings and result of votes on resolutions.

(b) Net Assets (“NA”) and Earnings Per Share (“EPS”)

The effects of the Share Buy-back Mandate on the NA per Share and EPS of the Company are dependent on the purchase prices of CGB Shares and the effective funding cost or opportunity loss in interest income to the Group.

Assuming the Purchased Shares are cancelled, the Proposed Renewal of Share Buy-back Mandate will reduce the NA per Share if the purchase price exceeds the NA per Share at the time of purchase. On the contrary, the NA per Share will increase if the purchase price is less than the NA per Share at the time of purchase.

If the Purchased Shares are kept as Treasury Shares, the NA per Share would decrease unless the cost per share of the Treasury Shares purchased is below the NA per Share at the relevant point in time. This is due to the requirement for Treasury Shares to be carried at cost resulting in a decrease in the NA of the Company.

Assuming that the Purchased Shares under the Proposed Renewal of Share Buy-back Mandate are cancelled, the Proposed Renewal of Share Buy-back Mandate may increase the EPS of the CGB Group. In addition, on the assumption that the Purchased Shares are treated as Treasury Shares and subsequently resold, the earnings of CGB Group may be affected depending on the actual selling price and number of Treasury Shares resold. In the event the Purchased Shares are held as Treasury Shares; i.e. neither cancelled nor resold, the effective reduction in the total number of issued shares of the Company pursuant to the Proposed Renewal of Share Buy-back Mandate would generally, all else being equal, increase the consolidated EPS of the Group.

(c) Working Capital

The Share Buy-back Mandate will reduce the working capital of CGB Group, the quantum of which depends on the purchase price and the actual number of Purchased Shares.

## 2.5 Public Shareholding Spread

As at LPD, the public shareholding spread of the Company is 60.47%.

The Company will ensure that prior to any share buy-back exercise, the public shareholding spread of at least 25% is maintained.

## 2.6 Historical Shares Prices

The monthly high and low market prices of CGB Shares for the past twelve (12) months from April 2023 to March 2024 are as follows:

Share Prices		
	High (RM)	Low (RM)
April 23	0.740	0.625
May 23	0.680	0.635
June 23	0.675	0.620
July 23	0.730	0.665
August 23	0.705	0.675
September 23	0.720	0.675
October 23	0.705	0.680
November 23	0.715	0.680
December 23	0.705	0.690
January 24	0.730	0.700
February 24	0.810	0.700
March 24	0.800	0.720

The last traded price of CGB shares as at LPD is RM0.780

## 2.7 Implication on the Malaysian Take-Overs and Mergers Code (“Code”)

The Board does not anticipate any implication relating to the Code on the Company and its shareholders in the event the allowed maximum number of shares is purchased pursuant to the Proposed Renewal of Share Buy-back Mandate.

## 2.8 Interests of Directors, Substantial/Major Shareholders and Persons Connected

Save for the inadvertent increase in the percentage of shareholdings and/or voting rights of the Directors and major shareholders of the Company as a consequence of the Proposed Share Buy-back Mandate, as disclosed below, none of the Directors or major shareholders or persons connected with the Directors and/or major shareholders has any interest, direct or indirect, in the Share Buy-back Mandate or resale of Treasury Shares, if any.

Directors	As at LPD				After the Proposed Share Buy-back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	*%	No. of Shares	*%	No. of Shares	%	No. of Shares	%
Tan Sri Dr Mah King Thian @ Mah King Thiam	-	-	122,124,900	39.53 <sup>(1)</sup>	-	-	122,124,900	42.61 <sup>(1)</sup>
Dato' Seri Mah King Seng	-	-	122,124,900	39.53 <sup>(1)</sup>	-	-	122,124,900	42.61 <sup>(1)</sup>
Datuk Chua Kim Yin (JP)	-	-	-	-	-	-	-	-
Lee Nyuk Choon @ Jamilah Ariffin	-	-	-	-	-	-	-	-
Musanif Bin Hj Md Nen	-	-	-	-	-	-	-	-
Mah Li-Na (Alternate Director to Dato' Seri Mah King Seng)	1,000	#	-	-	1,000	#	-	-
Dr. Jordina Mah Siu Yi (Alternate Director to Tan Sri Dr Mah King Thian @ Mah King Thiam)	-	-	-	-	-	-	-	-

**Notes:**

\* Excluding a total of 9,479,200 shares of the Company bought back by the Company and retained as treasury shares as at LPD.

# Negligible.

(1) Deemed interested pursuant to Section 8 of the Companies Act 2016 by virtue of his shareholdings in MHC Plantations Bhd.

(2) Deemed interested pursuant to Section 59 of the Companies Act 2016 by virtue of his spouse's interest.

Major/Substantial Shareholders	As at LPD				After the Proposed Share Buy-back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	*%	No. of Shares	*%	No. of Shares	%	No. of Shares	%
MHC Plantations Bhd.	92,124,900	29.82	30,000,000	9.71 <sup>(1)</sup>	92,124,900	32.14	30,000,000	10.47 <sup>(1)</sup>
Dato' Mah Pooi Soo Realty Sdn Bhd	-	-	122,124,900	39.53 <sup>(2)</sup>	-	-	122,124,900	42.61 <sup>(2)</sup>
Tan Sri Dr Mah King Thian @ Mah King Thiam	-	-	122,124,900	39.53 <sup>(2)</sup>	-	-	122,124,900	42.61 <sup>(2)</sup>
Dato' Seri Mah King Seng	-	-	122,124,900	39.53 <sup>(2)</sup>	-	-	122,124,900	42.61 <sup>(2)</sup>
Datin Seri Ooi Ah Thin	-	-	122,124,900	39.53 <sup>(2)</sup>	-	-	122,124,900	42.61 <sup>(2)</sup>
Yew Lee Holdings Sdn. Berhad	16,055,250	5.20	13,944,750	4.51 <sup>(3)</sup>	16,055,250	5.60	13,944,750	4.87 <sup>(3)</sup>

**Notes:**

\* Excluding a total of 9,479,200 shares of the Company bought back by the Company and retained as treasury shares as at LPD.

(1) Deemed interested pursuant to Section 8 of the Companies Act 2016 by virtue of its shareholdings in Yew Lee Holdings Sdn. Berhad and Hutan Melintang Plantations Sdn. Berhad.

(2) Deemed interested pursuant to Section 8 of the Companies Act 2016 by virtue of his/her shareholdings in MHC Plantation Bhd.

(3) Deemed interested pursuant to Section 8 of the Companies Act 2016 by virtue of its shareholdings in Hutan Melintang Plantations Sdn. Berhad.

Person connected to Major Shareholder	As at LPD				After the Proposed Share Buy-back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	*%	No. of Shares	*%	No. of Shares	%	No. of Shares	%
Hutan Melintang Plantations Sdn. Berhad	13,944,750	4.51	-	-	13,944,750	4.87	-	-

**Notes:**

\* Excluding a total of 9,479,200 shares of the Company bought back by the Company and retained as treasury shares as at LPD.

## 2.9 Purchase, resale or cancellation of CGB Shares made in the preceding 12 months

There were no purchase, resale or cancellation of Treasury Shares made in the preceding 12 months.

As at LPD, the Company had a total of 9,479,200 shares retained as Treasury Shares.

## 3.0 DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Share Buy-back Mandate is of the opinion that the proposal is in the best interest of CGB. As such, the Board recommends that you vote in favour of the resolution in respect of to the Proposed Renewal of Share Buy-back Mandate to be tabled at the Twenty-Fourth AGM.

#### **4.0 ANNUAL GENERAL MEETING**

The resolution to approve the Proposed Renewal of Share Buy-back Mandate is set out in the Notice of the Twenty-Fourth AGM contained in CGB's Annual Report 2023, which is sent to you together with this Statement. The Twenty-Fourth AGM will be held at Amadeus III, Level 2, Sabah Hotel Sandakan, KM1, Jalan Utara, 90703 Sandakan, Sabah on Tuesday, 21 May 2024 at 11.00 a.m.

If you are unable to attend in person at the Twenty-Fourth AGM, please complete the Form of Proxy in accordance with the instructions contained therein and forward it to the Company's Share Registrar's Office at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or submit the Form of Proxy electronically via TIIH Online at <https://tiih.online> in accordance with the procedures set out in the Administrative Guide not later than forty-eight (48) hours before the time fixed for holding the meeting or any adjournment thereof.

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the Twenty-Fourth AGM should you subsequently wish to do so.

#### **5.0 ADDITIONAL INFORMATION**

Shareholders are advised to refer to Appendix 1 of this Statement for further information.

## **APPENDIX 1 FURTHER INFORMATION**

### **1. RESPONSIBILITY STATEMENT**

In preparing the Share Buy-back Statement, the Directors have:

- seen and approved the said Share Buy-back Statement;
- are collectively and individually accept full responsibility for the accuracy of the information given; and
- confirm that after making all reasonable enquiries to the best their knowledge and belief there are no other facts omission of which would make any statement in the circular misleading.

### **2. DOCUMENTS FOR INSPECTION**

The Share Buy-back Statement and copy of the following documents may be inspected at the registered office of the Company from the date of this Share Buy-back Statement up to and including the date of the Twenty-Fourth AGM:

- the Constitution of CGB; and
- the audited financial statements of CGB for the past 2 financial years ended 31 December 2022 and 31 December 2023.