

**THIS STATEMENT/CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

Pursuant to Paragraph 2.1 of Practice Note 18 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the documents in respect of the matters to be tabled for shareholders' approval at the forthcoming Annual General Meeting of the Company are not required to be perused by Bursa Securities. As such Bursa Securities has not perused this Circular to Shareholders ("Circular") prior to the issuance of this Circular. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement/Circular.



**MELEWAR INDUSTRIAL GROUP BERHAD**

(Reg. No. 196901000102 (8444-W))  
(Incorporated in Malaysia)

**PART A**

- **SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR AUTHORITY TO THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF ITS TOTAL ISSUED SHARES;**

**PART B**

- **CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF EXISTING 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 AND PROVISION OF FINANCIAL ASSISTANCE;**

**PART C**

- **CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY.**

The above Proposals will be tabled as Special Business at the Company's 51st Annual General Meeting ("AGM").

The Notice of the 51st AGM of the Company together with a Form of Proxy are enclosed together with the Annual Report for the financial year ended 30 June 2020. The **51st AGM of the Company** will be held at **Crystal Function Room, 4th Floor, Mutiara Complex, 3 ½ Miles, Jalan Ipoh, 51200 Kuala Lumpur on Monday, 30 November 2020 at 11.30 a.m.**

Your Form of Proxy should reach the Registered Office of the Company at Trace Management Services Sdn Bhd at Suite 11.05, 11<sup>th</sup> Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur on or before the date and time indicated below should you be unable to attend the 51st AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodgment of Form of Proxy : **Saturday, 28 November 2020 at 11.30 a.m.**

Date and time of Annual General Meeting : **Monday, 30 November 2020 at 11.30 a.m.**

**This Statement/Circular is dated 30 October 2020**

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## DEFINITIONS

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For the purpose of this Statement/Circular, except where the context otherwise requires, the following terms and expression shall apply throughout this Statement/Circular:-

Act or Companies Act	:	The Companies Act 2016, as amended from time to time and any re-enactment thereof.
AGM	:	Annual General Meeting.
Articles	:	The Articles of the Constitution of MIG, as amended from time to time.
Associated Company(ies)	:	An associated company as defined by International Financial Reporting Standards as approved by the Malaysian Accounting Standards Board's Approved Accounting Standards.
Board or Directors	:	The Board of Directors of MIG for the time being, and shall have the same meaning given in Section 2 of the Act and Section 2(1) of the Capital Market and Services Act 2007. It includes any person who is or was within the preceding six (6) months of the date on which the terms of the RRPT(s) were agreed upon, a Director or a Chief Executive Officer of MIG, its subsidiary or holding company.
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Reg. No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Reg. No. 200301033577 (635998-W))
CCM	:	Companies Commission of Malaysia.
Code	:	Malaysian Code on Take-Overs and Mergers and Compulsory Acquisitions as amended from time to time.
Constitution	:	The Constitution of MIG including any amendments thereto that may be made.
EPS	:	Earnings Per Share.
Issued Share Capital	:	RM253,775,834.00 consisting of 359,417,703 issued shares in MIG.
KLB	:	Khyra Legacy Berhad (Reg. No. 200601021613 (741366-W))
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities including any amendments to the Listing Requirements that may be made from time to time.
LPD	:	1st October 2020, being the latest practicable date prior to the printing of this Statement/Circular.
MAA Corp	:	MAA Corporation Sdn Bhd (Reg. No. 198701002104 (160773-W))
MAACA Legal Advisory	:	MAACA Legal Advisory Sdn Bhd (Reg. No. 200101001509 (537265-U))
MAAG	:	MAA Group Berhad (Reg. No. 199801015274 (471403-A))
MAAG Group	:	MAAG and its subsidiaries and associated companies, collectively.

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**DEFINITIONS** *(Cont'd)*

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Major Shareholders	: For the purpose of the Proposed Renewal of Shareholders' Mandate, the definition of major shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the RRPT(s) were agreed upon, a major shareholder of the listed issuer as defined under Paragraph 1.01 of the Listing Requirements ("Paragraph 1.01") or any other corporation which is its subsidiary or holding company. Paragraph 1.01 defines a major shareholder as a person who has an interest or interests in one or more voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:  (i) 10% or more of the total number of voting shares in the corporation; or  (ii) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.  For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8 of the Act.
Market Day	: Any day between Monday and Friday (inclusive) which is not a public holiday and when Bursa Securities is opened for trading of securities.
MEBVI	: Melewar Equities (BVI) Ltd (Reg. No. 95686)
Melewar Group of Companies	: Melewar Group and its subsidiaries, collectively.
MIE	: Melewar Integrated Engineering Sdn Bhd (Reg. No. 200301004641 (607061-A))
MIG	: Melewar Industrial Group Berhad (Reg. No. 196901000102 (8444-W))
MIG Group	: MIG and its subsidiaries and associated companies, collectively.
MIG Share(s) or Share(s)	: Ordinary share(s) in MIG.
MKSB	: Melewar Khyra Sdn Bhd (Reg. No. 197901005557 (49841-V))
MSM	: Melewar Steel Mills Sdn Bhd (Reg. No. 198301002668 (97904-K))
NA	: Net Assets.
Person(s) Connected	: Shall have the same meaning given in Paragraph 1.01, Chapter 1 of the Listing Requirements.
Proposals	: Collectively, Proposed Renewal of Share Buy-Back Authority, Proposed Renewal of Shareholders' Mandate and Proposed Amendments to the Constitution of the Company.
Proposed Renewal of Share Buy-Back Authority	: Proposed renewal of shareholders' mandate for the Company to purchase its own shares of up to ten percent (10%) of the total issued shares of MIG.

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**DEFINITIONS** *(Cont'd)*

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Proposed Renewal of Shareholders' Mandate	: Proposed renewal of existing shareholders' mandate for MIG Group to enter into existing RRPT(s) with Related Parties and/or shareholders' mandate for recurrent transactions in relation to provision of financial assistance approved at the AGM held on 29 November 2019.
Proposed Amendments to the Constitution	: Proposed new Articles 72(5) and 72(6) of the Constitution of the Company.
Purchased Shares	: Shares purchased by MIG pursuant to the Proposed Renewal of Share Buy-Back Authority.
Record of Depositors	: A record of securities holders established by the Bursa Depository under the Rules of Bursa Depository.
Related Party(ies)	: A director, major shareholder or person connected with such director or major shareholder of MIG and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Director or Major Shareholder of MIG or any other company which is its subsidiary or holding company or a Chief Executive Officer of the Company, its subsidiary or holding company.
RM and Sen	: Ringgit Malaysia and Sen respectively.
RRPT(s)	: Related party transaction(s) involving recurrent transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations and are in the ordinary course of business of the MIG Group.
Rules of Bursa Depository	: Rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act 1991 and any amendments thereto.
SC	: Securities Commission Malaysia.
Share(s)	: Ordinary Share(s) of MIG.
Share Buy-Back Authority	: Existing authority granted by the shareholders of MIG at the AGM held on 29 November 2019 for MIG to purchase MIG Shares up to ten percent (10%) of the total issued shares of MIG.
Substantial Shareholder	: A person who has an interest or interests in one or more voting shares in the Company and the nominal amount of that share, or aggregate of the nominal amount of those shares, is not less than 5% of the aggregate of the nominal amount of all the voting shares in the Company.
Trace	: Trace Management Services Sdn Bhd (Reg. No. 197901004366 (48646-M))
Treasury Shares	: Shares purchased by the Company which shall be retained in treasury and shall have the meaning given under Section 127 of the Act.
TY	: Tunku Dato' Yaacob Khyra.
TYY	: Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah.

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**DEFINITIONS** *(Cont'd)*

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All references to “you” in this Statement/Circular is to the shareholders of the Company. All references to “we”, “us”, “our” and “our Company” in this Statement/Circular is to the Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Statement/Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Statement/Circular shall be a reference to Malaysian time, unless otherwise specified.

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**PART A**

**SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR AUTHORITY TO THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF ITS TOTAL ISSUED SHARES**





**MELEWAR INDUSTRIAL GROUP BERHAD**  
(Reg. No. 196901000102 (8444-W))  
(Incorporated in Malaysia)

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

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**1.0 INTRODUCTION**

At the 50th AGM held on 29 November 2019, the Company announced that the shareholders had approved for the Company to purchase up to ten percent (10%) of the total issued shares of MIG in accordance with Section 127 of the Act.

On 28 August 2020, the Board of Directors of the Company announced to Bursa Securities its intention to seek the shareholders' approval for the Proposed Renewal of Share Buy-Back Authority at the forthcoming AGM to be held on 30 November 2020.

The purpose of this Statement is to provide you with details on the Proposed Renewal of Share Buy-Back Authority and to seek your approval for the resolution thereto to be tabled at the forthcoming 51st AGM of the Company to be convened at Crystal Function Room, 4th Floor, Mutiara Complex, 3 ½ Miles, Jalan Ipoh, 51200 Kuala Lumpur on Monday, 30 November 2020 at 11.30 a.m. The notice convening the 51st AGM together with the Form of Proxy have been set out in the Company's Annual Report 2020.

**SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY AT THE FORTHCOMING AGM.**

**2.0 DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The Board proposes to seek the approval of the shareholders of the Company to renew the authority granted to the Company at the 51st AGM of the Company to be held on 30 November 2020 to purchase and/or hold from time to time and at any time up to 10% of its own shares in the total issued shares of the Company.

As at 1 October 2020, the issued share capital and number of issued shares of the Company was RM253,775,834.00 comprising 359,417,703 MIG Shares. The maximum number of shares which may be purchased and/or held by the Company will be ten percent (10%) of the total issued shares of MIG at the time of purchase.

The actual number of shares to be purchased, the total amount of the funds to be utilised as well as the timing of the Proposed Renewal of Share Buy-Back Authority will be dependent on the market conditions, market sentiments of Bursa Securities, availability of the retained profits, the financial resources available to MIG as well as the Bursa Securities' requirement to maintain the necessary shareholding spread.

In addition, the Board will ensure the Company satisfies the solvency test as stated in Section 112(2) of the Act before execution of the Share Buy-Back.

The authority conferred by this resolution may only continue to be in force until:

- (a) the conclusion of the next AGM of MIG following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (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 general meeting,

whichever occurs first.

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

## **2.1 Funding**

The funding for the Proposed Renewal of Share Buy-Back Authority will be wholly from internally generated funds and/or borrowings or a combination of both, the proportion of which to be utilised will depend on the actual number of MIG Shares to be purchased, the price of MIG Shares and the availability of funds of the Group at the time of purchase. In the event that borrowings are used for the Proposed Renewal of Share Buy-Back Authority, the amount of borrowings will depend on the amount of MIG Shares to be purchased by the Company and the appropriate borrowing capacity of the Company. The Company's net cash flow may be affected to the extent of the interest costs associated with any borrowings. The Directors of MIG will ensure that the Company is able to meet the repayment of such borrowings, if any.

In accordance with the Listing Requirements, the maximum funds to be allocated for the Proposed Renewal of Share Buy-Back Authority shall not exceed the aggregate of the retained profits of the Company available at the time of the intended purchase. Based on the latest audited accounts of the Company for the financial year ended 30 June 2020, the Company's accumulated losses amounted to RM103,080,238.

## **2.2 Treatment of Purchased Shares**

When Shares are purchased by the Company, the Directors may resolve to cancel the Shares so purchased and/or retain the Shares so purchased to be held as Treasury Shares. Where the Directors resolve to cancel the Shares so purchased, the Company's total issued shares shall be diminished by the cancellation of the Shares so purchased and the cost of the shares shall be applied in the reduction of the profits otherwise available for distribution as dividends. Where the Directors resolve to retain the Shares so purchased as Treasury Shares, the Directors may distribute the Treasury Shares as share dividends to shareholders and/or resell the Treasury Shares on the Bursa Securities and/or cancel the Treasury Shares. While the Shares so purchased are held as Treasury Shares, the rights attached to them as to voting, dividends and participation in other distribution and otherwise are suspended. Further, the Treasury Shares would not be taken into account in calculating the number or percentage of Shares or a class of share in the Company for any purposes including the determination of substantial shareholdings, take overs, notices, the requisition of meetings, the quorum for meetings and the result of a vote on resolution(s) at meetings.

## **2.3 The Purchase Price**

Under Bursa Securities' Listing Requirements governing purchase of own shares by listed corporations, MIG may only purchase its own shares listed on Bursa Securities at a price which is not more than fifteen percent (15%) above the weighted average market price of the Shares for the five (5) market days immediately before the date of the purchase(s).

## **2.4 The Resale Price**

In the case of a resale of Treasury Shares, if any, the Company may only resell Treasury Shares on Bursa Securities at:

- i. a price which is not less than the weighted average market price of the Shares for the past five (5) market days immediately before the date of the resale(s); or
- ii. a discounted price of not more than five percent (5%) to the weighted average market price for the Shares for the five (5) market days immediately before the resale provided that:
  - (a) the resale takes place no earlier than thirty (30) days from the date of purchase; and
  - (b) the resale price is not less than the cost of purchase of the Shares being resold.

## **2.5 Public Shareholding Spread**

Based on the Record of Depositors maintained by Bursa Depository as at 1 October 2020, being the latest practicable date prior to the printing of this Statement, 190,662,206 Shares representing 53.05% of the total issued shares of the Company were held by public shareholders. Pursuant to the Proposed Renewal of Share Buy-Back Authority, assuming that the Share Buy-Back is implemented in full and that the Purchased Shares are from public shareholders, the public shareholding spread would reduce to approximately 47.83%. The Board of Directors of the Company undertakes to purchase Shares only to the extent that not less than 25% of its total listed shares are in the hands of public shareholders at all times, as required under Paragraph 8.02(1) of the Listing Requirements.

## **2.6 Other requirements**

The Proposed Renewal of Share Buy-Back Authority will be carried out in accordance with the prevailing laws, rules, regulations, order, guidelines and requirements issued by the relevant authorities at the time of purchase.

In the event that the Company wishes to cancel the Company's Shares purchased and/or the Company's Treasury Shares, the Company is required to release an announcement on the day the cancellation is made providing the number of Shares cancelled, the date of cancellation and the outstanding issued and paid-up capital of the Company after the cancellation. While the Shares are held as Treasury Shares, the rights attached to them as to voting, dividends and participation in other distribution and otherwise are suspended and the Treasury Shares shall not be taken into account in calculating the number or percentage of Shares or of a class of Shares in the Company for any purpose including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

In the event that the Company wishes to resell the Company's Treasury Shares, the Company is required to release an announcement on the day the resale is made providing the date of resale, the number of Shares resold, the resale price of each share or where relevant, the highest and lowest resale price and the total consideration received.

### **3.0 RATIONALE AND RISK ASSESSMENT FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The Board is of the opinion that empowering the Company to undertake the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company and will provide an opportunity to the Company to purchase MIG Shares on the Bursa Securities for the purpose of stabilising the supply and demand as well as the price of MIG Shares and consequently, the fundamental value of the Company may be preserved.

The Proposed Renewal of Share Buy-Back Authority will enable MIG Group to utilise its financial resources that do not have an immediate usage to buy back the Shares of the Company and enhance the EPS of the Group (in the case where the Directors resolve to cancel the Shares so purchased and/or retain the Shares as treasury shares and the treasury shares are not subsequently resold). If 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. Alternatively, the Shares so purchased can be distributed as share dividends to shareholders.

The Proposed Renewal of Share Buy-Back Authority will also enable MIG Group to utilise its financial resources to reduce the liquidity of MIG Shares in the stock market which generally will have positive impact, everything being equal, to the market prices of the Shares.

The Proposed Renewal of Share Buy-Back Authority, if implemented, will reduce the financial resources of the Group. This may result in the Group having to forego future investment opportunities and/or any income that may be derived from the deposit of such funds in interest bearing instruments. It may also result in a reduction of financial resources available for distribution in the form of cash dividends to shareholders of the Company.

However, the financial resources of the Company may increase pursuant to the resale of the Shares held as treasury shares at prices higher than the purchase price. In this connection, the Board will be mindful of the interest of the Company and shareholders of the Company in implementing the Proposed Renewal of Share Buy-Back Authority and in subsequent resale.

### **4.0 EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The Proposed Renewal of Share Buy-Back Authority will however, reduce the financial resources of the Group and may result in the Group foregoing good investment opportunity that may emerge in future. It may also reduce the ability of the Group to withstand economic weakness that may arise. Nevertheless, the Board of Directors of the Company will be mindful of the interests of MIG and its shareholders in implementing the Proposed Renewal of Share Buy-Back Authority.

On the assumption that the Proposed Renewal of Share Buy-Back Authority is carried out in full, the effects of the Proposed Renewal of Share Buy-Back Authority on the total issued shares, NA, EPS, working capital, earnings and dividend of MIG are set out below:-

#### **4.1 Total Number of Issued Shares**

The effect of the Proposed Renewal of Share Buy-Back Authority will depend on whether the Purchased Shares are cancelled or retained as Treasury Shares.

In the event the Proposed Renewal of Share Buy-Back Authority is implemented in full and all the Purchased Shares are subsequently cancelled and there is sufficient retained profits, the pro-forma effects on the total issued shares of the Company as at the LPD are as follows:

<b>Company Level</b>	<b>No. of Shares</b>
Total issued share capital of MIG as at the LPD	359,417,703
Less :	
Assuming if maximum number of Shares are purchased pursuant to the Proposed Renewal of Share Buy-Back Authority	35,941,770
	323,475,933
Resultant total number of issued shares	323,475,933

However, the Proposed Renewal of Share Buy-Back Authority will not have any effect on the total issued share capital of the Company if all the Purchased Shares are retained as Treasury Shares, resold or distributed to the shareholders of the Company.

#### **4.2 NA and EPS**

The effect on NA and EPS of the Group will depend on the purchase price of the Shares and the number of Shares bought back. However, the Proposed Renewal of Share Buy-Back Authority, if exercised, is not expected to have a material effect on the NA and EPS of the Group for the financial year ending 30 June 2021. If the purchase price of the Shares is less than NA per share, it will increase the NA and EPS per share of the Group and vice versa.

If the purchased MIG 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 and be offset against equity, resulting in a decrease in the NA of the Company.

#### **4.3 Working Capital**

The Proposed Renewal of Share Buy-Back Authority, if exercised, will reduce the working capital of the Group, the quantum of which depends on, amongst others, the number of MIG Shares eventually purchased and the purchase prices of the Shares. The cash flow of the Company and the Group will be reduced relatively to the number of MIG Shares eventually purchased and the purchase prices of the Shares.

For MIG Shares so purchased which are retained as Treasury Shares, upon its resale, the working capital and cash flow of the Company will increase. Again, the quantum of the increase in the working capital and cash flow will depend on the selling price of the Treasury Shares and the number of Treasury Shares resold.

#### **4.4 Earnings**

The effects of the Proposed Renewal of Share Buy-Back Authority on the earnings of MIG Group are dependent on the number MIG Shares purchased, the effective funding cost to finance such purchases and/or loss in interest income to MIG Group if internally generated funds are utilised. Further, the purchase of the MIG Shares will result in a lower number of shares being taken into account for purposes of EPS computation.

#### **4.5 Dividends**

The Proposed Renewal of Share Buy-Back Authority may have an impact on our Company's dividend payout as it may reduce the cash available which may otherwise be used for dividend payments. Any dividend to be declared in the immediate future will depend on the performance and cash resources of our Group. In addition, the Treasury Shares may be distributed as dividends to our shareholders if our Board so decides.

## 5.0 SHAREHOLDINGS OF DIRECTORS AND MAJOR SHAREHOLDERS

Save for the inadvertent increase in the percentage shareholdings of the Directors and Major Shareholders as a result of excluding Treasury Shares from the total issued shares after the Proposed Renewal of Share Buy-Back Authority, none of the Directors or Major Shareholders or persons connected to them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority or resale of Treasury Shares.

The table below shows the shareholdings of the existing Directors and Major Shareholders of the Company as at 1 October 2020 and their pro-forma total percentage shareholdings in the Company assuming that the Proposed Renewal of Share Buy-Back Authority was carried out in full on 1 October 2020.

<b>Name</b>	<b>(a)</b>		<b>(b)</b>	
	<b>Before the Proposed Renewal of Share Buy-Back Authority (As at 1 October 2020)</b>		<b>After the Proposed Renewal of Share Buy-Back Authority (Assuming 10% of the issued share capital was purchased on 1 October 2020)</b>	
	<b>No. of MIG Shares held</b>		<b>No. of MIG Shares held</b>	
	<b>Direct</b>	<b>Indirect</b>	<b>Direct</b>	<b>Indirect</b>
<b>Directors :-</b>				
TY <i>(Deemed indirect interest)</i>	Nil	168,572,764 46.90% <sup>(1)</sup>	Nil	168,572,764 52.11% <sup>(1)</sup>
TYY	Nil	Nil	Nil	Nil
Azlan bin Abdullah	133,333 0.04%	Nil	133,333 0.04%	Nil
Shazal Yusuf bin Mohamed Zain	Nil	Nil	Nil	Nil
Datin Seri Raihanah Begum binti Abdul Rahman	Nil	Nil	Nil	Nil
Kwo Shih Kang	Nil	Nil	Nil	Nil
Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram	Nil	Nil	Nil	Nil

Name	(a)		(b)	
	Before the Proposed Renewal of Share Buy-Back Authority (As at 1 October 2020)		After the Proposed Renewal of Share Buy-Back Authority (Assuming 10% of the issued share capital was purchased on 1 October 2020)	
	No. of MIG Shares held		No. of MIG Shares held	
	Direct	Indirect	Direct	Indirect
<b>Interested Major Shareholders :-</b>				
MEBVI	60,379,733 16.8%	Nil	60,379,733 18.67%	Nil
MKSB	104,382,731 29.04%	Nil	104,382,731 32.27%	Nil
KLB (Deemed indirect interest)	Nil	168,572,764 46.90% <sup>(2)</sup>	Nil	168,572,764 52.11% <sup>(2)</sup>

**Notes:**

- (a) Total percentage of shareholdings as at 1 October 2020. The percentages of shareholdings of the Directors and Major Shareholders are calculated by dividing the shares held by the respective Directors and Major Shareholders with the total issued shares.
- (b) Pro-forma percentage of shareholdings in the Company assuming that the Proposed Renewal of Share Buy-Back Authority was carried out in full on 1 October 2020 and the Shares bought back were cancelled.
- (1) Deemed indirect interest by virtue of TY being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG. TY is also deemed to have indirect interest in Avenue Serimas Sdn Bhd ("ASSB") by virtue of KLB being the holding company of Melewar Equities Sdn Bhd ("MESB"). ASSB is a wholly owned subsidiary of Melewar QE Sdn Bhd who in turn is a wholly owned subsidiary of MESB.
- (2) Deemed indirect interest by virtue of it being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG. KLB is also deemed to have indirect interest in ASSB by virtue of it being the holding company of MESB. ASSB is a wholly owned subsidiary of Melewar QE Sdn Bhd who in turn is a wholly owned subsidiary of MESB.

## 6.0 IMPLICATION ON THE CODE

In the event that the Company acquires the full amount of Shares authorized under the Proposed Renewal of Share Buy-Back Authority which is 35,941,770 and all the Shares so acquired are cancelled, the combined shareholdings in the Company of MKSB, MEBVI and their parties acting in concert namely TY and KLB based on their shareholdings as at 1 October 2020 will increase from 46.90% to 52.11%.

If the Proposed Renewal of Share Buy-Back Authority results in the shareholdings of MKSB, MEBVI and their parties acting in concert namely TY and KLB increasing in any period of six (6) months by more than 2% pursuant to the Code, MKSB, MEBVI and their parties acting in concert based on their shareholdings as at 1 October 2020, will be obliged to undertake a mandatory offer for MIG shares not held by them collectively.

## 7.0 PURCHASE, RESALE AND CANCELLATION OF TREASURY SHARES IN THE PREVIOUS TWELVE (12) MONTHS

The Company has not made any purchase, resale or cancellation of any of its own shares in the past twelve (12) months preceding the date of this Statement.

## 8.0 HISTORICAL SHARE PRICES

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

	High (RM)	Low (RM)
<b>Year 2019</b>		
October	0.140	0.125
November	0.145	0.125
December	0.170	0.125
<b>Year 2020</b>		
January	0.330	0.245
February	0.310	0.220
March	0.220	0.100
April	0.240	0.135
May	0.235	0.195
June	0.265	0.205
July	0.220	0.190
August	0.260	0.190
September	0.240	0.200

Last transacted market price of MIG shares on 27 August 2020 (being the last trading date prior to the announcement of the Proposed Renewal of Share Buy-Back Authority) was RM0.245.

Last transacted market price of MIG shares on 1 October 2020 (being the latest practicable date prior to the printing of this Statement) was RM0.195.

*(Source : The Wall Street Journal)*

## 9.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors or Major Shareholders of MIG or persons connected to them has any interest, direct or indirect in the Proposed Renewal of Share Buy-Back Authority.



## **10.0 DIRECTORS' STATEMENT AND RECOMMENDATION**

The Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that it is in the best interest of the Company and its shareholders. Accordingly, the Directors recommend that you vote in favour of the resolution pertaining to the Proposed Renewal of Share Buy-Back to be tabled at the forthcoming AGM of the Company.

## **11.0 APPROVAL REQUIRED**

The Proposed Renewal of Share Buy-Back Authority is subject to the approval of the shareholders at the forthcoming 51st AGM to be convened on 30 November 2020.

## **12.0 FURTHER INFORMATION**

The Resolution pertaining to the Proposed Renewal of Share Buy-Back Authority is enclosed in Notice of the 51st AGM of this Statement/Circular.

Yours faithfully,  
For and on behalf of the Board of  
**MELEWAR INDUSTRIAL GROUP BERHAD**

**SHAZAL YUSUF BIN MOHAMED ZAIN**  
Senior Independent Non-Executive Director



**MELEWAR INDUSTRIAL GROUP BERHAD**  
(Reg. No. 196901000102 (8444-W))  
(Incorporated in Malaysia)

Registered Office:

Suite 11.05, 11<sup>th</sup> Floor  
No. 566, Jalan Ipoh  
51200 Kuala Lumpur

Date: 30 October 2020

**BOARD OF DIRECTORS:**

**Tunku Dato' Yaacob Khyra**  
*(Executive Chairman)*

**Azlan bin Abdullah**  
*(Non-Independent Non-Executive Director)*

**Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah**  
*(Non-Independent Non-Executive Director)*

**Shazal Yusuf bin Mohamed Zain**  
*(Senior Independent Non-Executive Director)*

**Datin Seri Raihanah Begum binti Abdul Rahman**  
*(Independent Non-Executive Director)*

**Kwo Shih Kang**  
*(Independent Non-Executive Director)*

**Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram**  
*(Independent Non-Executive Director)*

To: **The Shareholders of Melewar Industrial Group Berhad**

Dear Sir/Madam,

**PART B**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF EXISTING 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 AND PROVISION OF FINANCIAL ASSISTANCE**

**PART C**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY**

## **(I) INTRODUCTION**

At the 50th AGM held on 29 November 2019, the Company obtained a mandate from its shareholders to enter into RRPTs with Related Parties which are necessary for its day to day operations and are in the ordinary course of business based on the normal commercial terms which are not more favorable to the Related Parties than those generally available to the public and not to the detriment of minority shareholders ("Existing Mandate").

The Existing Mandate shall lapse at the conclusion of the forthcoming AGM of the Company unless a new mandate for RRPTs is obtained from the shareholders at the AGM.

On 28 August 2020, the Board of Directors of the Company announced to Bursa Securities its intention to seek the shareholders' approval on the Proposed Renewal of Shareholders' Mandate and Proposed Amendments to the Constitution of the Company at the forthcoming AGM to be held on 30 November 2020.

The purpose of this Circular is to provide you with details on the said Proposals and to seek your approval for the resolutions to be tabled at the forthcoming 51st AGM of the Company to be convened at the Crystal Function Room, 4th Floor, Mutiara Complex, 3 ½ Miles, Jalan Ipoh, 51200 Kuala Lumpur on Monday, 30 November 2020 at 11.30 a.m. The notice convening the 51st AGM together with the Form of Proxy have been set out in the Annual Report 2020.

**SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE SAID PROPOSALS AT THE FORTHCOMING AGM. THE SAID PROPOSALS ARE NOT INTERCONDITIONAL UPON ONE ANOTHER.**

**PART B**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF EXISTING 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 AND PROVISION OF FINANCIAL ASSISTANCE**

## 1.0 DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

Under Paragraph 10.09(2) of the Listing Requirements, MIG may seek a shareholders' mandate in respect of RRPT(s) which are necessary for its day-to-day operations subject to the following: -

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party(ies) 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 aggregated value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;
- (c) the Company to issue a Circular to Shareholder in relation to the Shareholders' mandate which shall include all information as may be prescribed by Bursa Securities, together with a checklist showing compliance with such information when submitting to Bursa Securities;
- (d) in a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder(s) and/or interested persons connected with a Director or Major Shareholder; and where it involves the interest of an interested person connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution approving the transactions. An interested Director or interested Major Shareholder must ensure that persons connected with him/her/it abstain from voting on the resolution approving the transactions; and
- (e) MIG immediately announces to Bursa Securities when the actual value of a RRPT(s) entered into by MIG exceeds the estimated value of the RRPT(s) disclosed in the Circular to Shareholders by ten percent (10%) or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where a listed issuer has procured a shareholders' mandate pursuant to the above, the provisions of Paragraph 10.08 of the Listing Requirements will not apply with regard to transactions as detailed in Sections 3.3(A) and 3.3(B) of Part B of this Circular.

Transactions entered between a listed issuer (or any of its wholly owned subsidiaries) and its wholly owned subsidiaries are excluded from the requirements of Chapter 10.09(2) of the Listing Requirements.

MIG Group has entered into certain RRPT(s) in the ordinary course of business and it is anticipated that the MIG Group would, in the ordinary course of business continue to enter into such RRPT(s) referred to in Sections 3.3(A) and 3.3(B) of Part B of this Circular. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

In view of the time-sensitive, confidential and frequent nature of such RRPT(s), the Board of Directors is seeking the shareholders' approval for the Proposed Renewal of Shareholders' Mandate for the MIG Group to enter into the categories of RRPT(s) referred to in Sections 3.3(A) and 3.3(B) of Part B of this Circular with the Related Parties, provided that such transactions are entered into at arm's length and on terms which are not more favourable to the Related Parties than those generally available to the public and which are not detriment to the minority shareholders of MIG. The RRPT(s) will also be subject to the review procedures set out in Section 5.0 of Part B of this Circular.

In compliance with Chapter 10 of the Listing Requirements, Practice Notes No. 12 and No. 14, MIG now proposes to seek shareholders' approval on the Proposed Renewal of Shareholders' Mandate to allow the Company to enter into RRPT(s) from time to time with the Related Parties. Such mandate will enable the Group to enter into the RRPT(s) without the necessity, in most instances, to make the otherwise required announcement or to

convene meetings in order to procure specific prior approval of its shareholders. The Proposed Renewal of Shareholders' Mandate will take effect from the date the Ordinary Resolution is passed by the shareholders at the forthcoming 51st AGM of the Company or at any adjournment thereof and will remain in effect until:

- (i) the conclusion of the next AGM of the Company following the AGM at which such Proposed Renewal of Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company after the forthcoming AGM is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier.

Disclosure will be made in accordance with Section 3.1.5 of Practice Note 12 issued by Bursa Securities, which requires the breakdown of the aggregate value of the RRPT(s) entered into during the financial year based on, amongst others, the following information :-

- (i) types of RRPT(s); and
- (ii) names of Related Parties involved in each type of RRPT(s) entered into and their relationships with the Company,

pursuant to the Proposed Renewal of Shareholders' Mandate in the Company's Annual Report, and in the annual report for subsequent years that the Proposed Renewal of Shareholders' Mandate continues to be in force.

The principal activities of the Company consist of property investment and investment holding. The principal activities of its subsidiaries are as follows:

**Subsidiaries of MIG**

<b>Name of Company</b>	<b>% Held</b>	<b>Principal Activities</b>
Mycron Steel Berhad	74.13	Investment holding and provision of management services to its subsidiaries
Melewar Steel Services Sdn Bhd	100	Property investment
Melewar Steel Assets Sdn Bhd	100	Dormant
Melewar Steel Mills Sdn Bhd	100	Trading of steel and iron products/scrap
Melewar Ecology Sdn Bhd	100	Dormant
Ausgard Quick Assembly Systems Sdn Bhd	100	Supply and construct quick assembly homes
Melewar Imperial Limited	100	Investment holding
3Bumi Sdn Bhd	100	Investment holding

**Subsidiaries of Mycron Steel Berhad**

<b>Name of Company</b>	<b>% Held</b>	<b>Principal Activities</b>
Mycron Steel CRC Sdn Bhd	100	Manufacturing and trading of steel cold rolled coiled sheets
Melewar Steel Tube Sdn Bhd	100	Manufacturing, distribution and trading of steel tubes and pipes

**Subsidiary of Mycron Steel CRC Sdn Bhd**

<b>Name of Company</b>	<b>% Held</b>	<b>Principal Activities</b>
Silver Victory Sdn Bhd	100	Trading of steel related products

**Subsidiaries of Melewar Imperial Limited**

<b>Name of Company</b>	<b>% Held</b>	<b>Principal Activities</b>
Melewar Steel UK Ltd	100	Distribution of steel tubes in the United Kingdom
Jack Nathan Limited	100	Wholesale and distribution of steel tubes in the United Kingdom

**Subsidiary of MSM**

<b>Name of Company</b>	<b>% Held</b>	<b>Principal Activities</b>
Melewar MycroSmelt Technology Ltd	50	Dormant

**Subsidiaries of 3Bumi Sdn Bhd**

<b>Name of Company</b>	<b>% Held</b>	<b>Principal Activities</b>
3Dara Sdn Bhd	100	Dormant
3Bumi Trading Sdn Bhd (Formerly known as Melewar Steel Engineering Sdn Bhd)	100	Trading of foods
3Bumi Oleo Sdn Bhd (Formerly known as Myreve Sdn Bhd)	80	Trading of foods
Maax Venture (Cambodia) Co., Ltd	100	Dormant

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## 2.0 CLASSES OF RELATED PARTY(IES) WITH WHOM TRANSACTIONS WERE AND WILL BE CARRIED OUT

The Proposed Renewal of Shareholders' Mandate would apply to transactions with Related Parties as described below: -

### (i) Major Shareholders

Name of Companies	Principal Activities	Relationship
MEBVI	Investment holding	MEBVI is a Major Shareholder of MIG. MEBVI is also a Substantial Shareholder of MAAG. MEBVI is a subsidiary of KLB.
MKSB	Investment holding	MKSB is a Major Shareholder of MIG. MKSB is a subsidiary of KLB.

### (ii) Persons Connected to Interested Director of the Company and/or the Interested Major Shareholders of the Company

Name of Related Parties	Principal Activities	Relationship
KLB	Investment holding	KLB is the holding company of MEBVI and MKSB who are the Major Shareholders of MIG. TY is a beneficiary of a trust known as KLB.
MAAG	Investment holding and providing corporate administrative and management support services to its subsidiaries	KLB is deemed interested in MAAG by virtue of it being the holding company of MEBVI. TY is a director of MAAG.
MAACA Legal Advisory	Providing corporate advisory and consultancy services	MAACA Legal Advisory is a wholly owned subsidiary of MAA Corp who in turn is a wholly owned subsidiary of MAAG.
MAA Corp	Providing property management services, sub-letting office and investment holding	MAA Corp is a wholly owned subsidiary of MAAG.



Name of Related Parties	Principal Activities	Relationship
Trace	Providing corporate secretarial services	A company in which TY and TYY have deemed interest by virtue of their major interests in Melewar Group Berhad ("MGB"), who in turn is the holding company of Trace; MGB is the family owned investment holding company.

The direct and indirect interest of interested Director and interested Major Shareholders in MIG as at 1 October 2020 are as follows: -

Name	Direct Interest	% <sup>(a)</sup>	Indirect Interest	% <sup>(a)</sup>
<b><u>Interested Director:</u></b>				
TY	Nil	Nil	168,572,764 <sup>(1)</sup>	46.90
<b><u>Interested Major Shareholders:</u></b>				
MEBVI	60,379,733	16.8	Nil	Nil
MKSB	104,382,731	29.04	Nil	Nil
KLB	Nil	Nil	168,572,764 <sup>(2)</sup>	46.90

**Notes:**

- (a) Total percentage of shareholdings as at 1 October 2020. The percentages of shareholdings of the Director and Major Shareholders are calculated by dividing the shares held by the respective Director and Major Shareholders with the total number of issued shares.
- (1) Deemed indirect interest by virtue of TY being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG. TY is also deemed to have indirect interest in Avenue Serimas Sdn Bhd ("ASSB") by virtue of KLB being the holding company of Melewar Equities Sdn Bhd ("MESB"). ASSB is a wholly owned subsidiary of Melewar QE Sdn Bhd who in turn is a wholly owned subsidiary of MESB.
- (2) Deemed indirect interest by virtue of it being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG. KLB is also deemed to have indirect interest in ASSB by virtue of it being the holding company of MESB. ASSB is a wholly owned subsidiary of Melewar QE Sdn Bhd who in turn is a wholly owned subsidiary of MESB.

### **3.0 NATURE OF RRPT(S)**

#### **3.1 GENERAL DETAILS OF RRPT(S)**

The types of RRPT(s) to be covered by the Proposed Renewal of Shareholders' Mandate relate principally to transactions for the provision of products and services to/from the Related Parties which are necessary for the Group's day-to-day operations and in the ordinary course of the MIG Group's business.

The details of the Proposed Renewal of Shareholders' Mandate to be sought, are set out in the tables below under Sections 3.3(A) and 3.3(B) of Part B of this Circular. The estimated aggregate value of the transactions may vary from time to time subject to changes.

The actual value of transactions reflected in the 8<sup>th</sup> column of the tables set out below under Sections 3.3(A) and 3.3(B) of Part B of this Circular is the aggregate amount of the transactions calculated from the date of the AGM held in 2019 which was 29 November 2019 up to the latest practicable date prior to the printing of this Circular. The actual value of the transactions did not exceed 10% or more of the estimated value as approved under the previous shareholders' mandate granted to the Company at the 50th AGM held on 29 November 2019.

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

As at the financial year ended 30 June 2020, there were no amounts due from or owing to MIG Group by its Related Parties, which exceeded the credit term given arising from the RRPT(s) as per Sections 3.3(A) and 3.3(B) of Part B of this Circular.

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3.3(A) CLASS AND NATURE OF RRPT(S)

(i) Proposed Renewal of Shareholders' Mandate for RRPT with Trace Management Services Sdn Bhd

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 31.10.2019 ("Estimated Value")	Actual value of transactions (from the date of AGM held on 29.11.2019 up to LPD)	( <sup>1</sup> ) Estimated value of transactions (from 30.11.2020 till next AGM) ("Current Estimated Value")
1.	Trace	Provision of corporate secretarial services by the Related Party to MIG Group	<b>Interested Directors</b> TY and TY Y		Nil	500,000	299,773	500,000
2.	Trace <sup>N1</sup>	Office rental charged by <b>**MIE</b> to the Related Party	<b>Interested Directors</b> TY and TY Y	TY and TY Y are deemed interested in Trace by virtue of their major interests in * MGB, who in turn is the holding company of Trace; MGB is the family owned investment holding company.	Nil	150,000	81,912	N/A

Notes :

<sup>N1</sup> The particulars of tenancy entered into with Trace are as follows:-

Tenant	Location	Sq. Ft.	Rental Rate per month (RM p.s.f.)	Tenancy Period (years)	Purpose of Business Transaction
Trace	1 <sup>st</sup> Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur	3,261	RM3.50	3	Office rental

\* Trace was previously a 100% subsidiary of The Melewar Corporation Berhad ("TMC"). TMC had transferred its equity in Trace to MGB, which is also a family owned investment holding company w.e.f. 30 September 2020.

\*\* As MIE was disposed to Datuk Uwe Ahrens by MIG on 14 August 2020, all disclosures on the office rental arrangement between MIE and Trace will no longer be deemed as RRPT effective from 14 August 2020.

(ii) Proposed Renewal of Shareholders' Mandate for RRPT(s) with MAAG Group

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 31.10.2019 ("Estimated Value")	Actual value of transactions (from the date of AGM held on 29.11.2019 up to LPD)	( <sup>1</sup> ) Estimated value of transactions (from 30.11.2020 till next AGM) ("Current Estimated Value")
1.	MAA Corp <sup>N2</sup>	Office rental charged by the Related Party to MIG Group	<b>Interested Director</b> TY  <b>Interested Major Shareholders</b> MEBVI, MKSB and KLB	TY is deemed interested in MAA Corp.  TY is a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB.	MAA Corp is a wholly owned subsidiary of MAAG whose ultimate Major Shareholder is KLB.	150,000	72,513	150,000
2.	MAA Corp <sup>N3</sup>	Office service charged by the Related Party to MIG Group	<b>Interested Director</b> TY  <b>Interested Major Shareholders</b> MEBVI, MKSB and KLB	TY is deemed interested in MAA Corp.  TY is a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB.	MAA Corp is a wholly owned subsidiary of MAAG whose ultimate Major Shareholder is KLB.	150,000	16,733	150,000

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 31.10.2019 ("Estimated Value")	Actual value of transactions (from the date of AGM held on 29.11.2019 up to LPD)	( <sup>1</sup> ) Estimated value of transactions (from 30.11.2020 till next AGM) ("Current Estimated Value")
3.	MAACA Legal Advisory	Provision of corporate consultancy services by the Related Party to MIG Group	<b>Interested Director</b> TY  <b>Interested Major Shareholders</b> MEBVI, MKSB and KLB	TY is deemed interested in MAACA Legal Advisory.  TY is a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB.	MAACA Legal Advisory is a wholly owned subsidiary of MAA Corp who in turn is a wholly owned subsidiary of MAAG whose ultimate Shareholder is KLB.	500,000	Nil	500,000

**Notes :**

(1) The Current Estimated Value of the RRPT(s) are based on the Actual Value transacted and/or management's estimate of the value to be transacted during the validity period of the Proposed Renewal of Shareholders' Mandate. The Current Estimated Value of these transactions may be subject to changes. None of the Actual Value of the RRPT(s) disclosed above has exceeded the Estimated Value by 10% or more.

(2) The particulars of tenancy entered into with MAA Corp (a subsidiary of MAAG) are as follows:-

Tenant	Location	Sq. Ft.	Rental Rate per month (RM p.s.f.)	Tenancy Period (years)	Purpose of Business Transaction
MIG	15 <sup>th</sup> Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur	2,789	2.60	3	Office rental

(3) Office service charged by MAA Corp to MIG Group for the use of common rooms located on the 15<sup>th</sup> Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur at a monthly fee of RM1,673.40.

### 3.3(B) NATURE OF RRPT(S) FOR THE PROVISION OF FINANCIAL ASSISTANCE

The RRPT(s) for the provision of financial assistance between MIG Group and the classes of related parties and the nature of transactions are as follows:

No.	Type of Financial Assistance	Related Party	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 31.10.2019 ("Estimated Value")	Actual value of transactions (from the date of AGM held on 29.11.2019 up to LPD)	( <sup>1</sup> ) Estimated value of transactions (from 30.11.2020 till next AGM) ("Current Estimated Value")
1.	Provision of financial assistance to the Group by the pooling of funds via a centralized treasury management function within the MIG Group on a short or medium term basis i.e. for a duration not exceeding three (3) years.	MIG Group	<b>Interested Director</b> TY  <b>Interested Major Shareholders</b> MEBVI, MKSB and KLB	TY is deemed interested in MIG by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG.	Nil	Not exceeding RM200.0 million	Nil	Not exceeding RM200.0 million

No.	Type of Financial Assistance	Related Party	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 31.10.2019 ("Estimated Value")	Actual value of transactions (from the date of AGM held on 29.11.2019 up to LPD)	( <sup>1</sup> ) Estimated value of transactions (from 30.11.2020 till next AGM) ("Current Estimated Value")
2.	Provision of corporate guarantee to financial institutions, as and when required, to secure the continuing trade facilities extended to direct and indirect subsidiaries.	MIG Group	<b>Interested Director</b> TY  <b>Interested Major Shareholders</b> MEBVI, MKSB and KLB	TY is deemed interested in MIG by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG.	Nil	Not exceeding RM100.0 million	Nil	Not exceeding RM100.0 million

**Note :**

- (1) The Current Estimated Value of the RRPT(s) are based on the Actual Value transacted and/or management's estimate of the value to be transacted during the validity period of the Proposed Renewal of Shareholders' Mandate. The Current Estimated Value of these transactions may be subject to changes. None of the Actual Value of the RRPT(s) disclosed above has exceeded the Estimated Value by 10% or more.

#### **4.0 BASIS OF ESTIMATES**

The pricing method for the estimated values was based on:

- (i) arm's length basis and on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company. Due consideration based on prevailing market rates under usual commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms was given to price, payment, quality, delivery and service in order to maximise benefits for any purchase under the transactions.
- (ii) competitive commercial terms based on quotations from other sources of supply of the products/services required by the Group. Reference shall also be made to published market reports, if available, pertaining to transactions of similar products concluded in other markets.

The estimated value in respect of each transaction referred to above is based on accounting records which in turn are based on prevailing prices obtained from the Related Parties which are reasonably market-competitive prices and based on the expected level of transactions to be entered into by the Group. The estimated amounts are further based on the assumptions that current level of operations will continue and all external conditions remain constant.

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 the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of produces/services and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar products or services, or if the product/service is a proprietary item), Management will ensure the RRPT(s) will only be entered with the Related Parties after taking into account the pricing, level of services, quality of products and other related factors to ensure that the RRPT is not detrimental to MIG Group.

#### **5.0 REVIEW PROCEDURES FOR THE RRPT(S)**

MIG has established the following procedures and guidelines to ensure that the RRPT(s) are undertaken on an arm's length basis and on normal commercial terms, consistent with MIG's usual business practices and policies, which 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 :

- (i) A list of Related Party(ies) will be circulated to the Audit and Governance Committee to notify that all RRPT(s) are required to be undertaken on an arm's length basis and on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders;
- (ii) Records of RRPT(s) will be retained and compiled for review by the Audit and Governance Committee;
- (iii) The Audit and Governance Committee shall review all aspects of the RRPT(s) where the consideration, value of the assets, capital outlay or costs thereof, equal or exceed RM1,000,000 and ensure that they are conducted at arm's length basis. Any member of the Audit and Governance Committee may, as he/she deems fit, request for additional information pertaining to the RRPT(s) including appointing an independent adviser/expert as they deem appropriate;



- (iv) Disclosure on all material RRPT(s) will be made in the Annual Report of the Company;
- (v) The RRPT(s) will be conducted at arm's length and based on normal commercial terms consistent with the Group's usual business policies and practices (subject to applicable rules and regulations) and will not be prejudicial to the minority shareholders;
- (vi) The interested directors who are members of the Board and Audit and Governance Committee will abstain from deliberating and voting on all matters pertaining to the RRPT(s) at the relevant meetings of the Board or Audit and Governance Committee;
- (vii) The transactions with a related party will only be entered into after taking into account the pricing, quality, delivery schedules, level of service and other related factors which are determined in accordance to the Group's business practices and policies, such as calling for tenders, quotations, so as to ensure that the prices and terms and conditions are based on competitive prices of similar products and services in line with industry norms; and
- (viii) The Audit and Governance Committee monitors on quarterly basis actual transacted values of RRPT(s) under the Proposed Renewal of Shareholders' Mandate to ensure that the Company makes an announcement to Bursa Securities if the actual value exceeds 10% or more of the estimated value disclosed in the Circular for a particular group of Related Parties.

The following are commercial considerations which the MIG Group takes into account before entering into transactions for the sale/supply of goods and provision of services to a purchaser, in the ordinary course of business:-

- The ability and track record of the purchaser to pay for the goods supplied or services provided; and
- Whether past experience and working relationship with the purchaser has been satisfactory.

The following are commercial considerations which MIG Group takes into account before entering into transactions for the receipt of goods or services from a vendor/service provider, in the ordinary course of business:-

- MIG Group's pricing for the goods to be provided or supplied and/or received or purchased is negotiated between the MIG Group and Related Party based on the prevailing market prices as agreed with unrelated third parties;
- The terms are not more favourable to the Related Party than those extended to unrelated third parties and available to the public and the Recurrent Related Party Transactions are not detrimental to minority shareholders;
- The transactions are entered into after taking into account factors such as pricing, quality, delivery schedules and, where applicable, preferential rates, rebates or discount accorded for bulk purchases, the terms offered are fair and reasonable and in the MIG Group's commercial interests;
- The competitiveness in pricing;
- The standard and quality of the goods/services and whether it meets the requirements of MIG Group;
- The responsiveness and level of service provided by the goods or service providers and whether past experience and working relationship has been satisfactory; and
- The track record and competence of the goods or service provider and whether the goods or service provider has sufficient resources to perform its obligations.

MIG Group would only enter into transactions with the relevant parties based on the above criteria, regardless of whether or not the party is related.

## **6.0 THRESHOLD OF AUTHORITY**

There is no specific threshold for approval of RRPT(s) within MIG Group. However, all RRPT(s) are subject to the approval of the Board. Where any Director has an interest (direct or indirect) in any RRPT(s), such Director shall abstain from deliberation and voting on the matter. If it is determined that the guidelines and/or procedures stated in Section 5.0 of Part B of this Circular, are inadequate to ensure that :

- (i) RRPT(s) will be conducted at arms' length and on normal commercial terms which are not more favourable to the Related Party(ies) than those generally available to the public; and
- (ii) Such transactions are not to the detriment of the minority shareholders of the Company or prejudicial to the interests of the shareholders,

the Company will obtain a fresh shareholders' mandate.

## **7.0 STATEMENT BY THE AUDIT AND GOVERNANCE COMMITTEE**

The Audit and Governance Committee has seen and reviewed the procedures. The Audit and Governance Committee is of the view that the procedures in Section 5.0 of Part B of this Circular are sufficient to ensure that RRPT(s) of a revenue or trading nature as set out in Sections 3.3(A) and 3.3(B) of this Circular are not more favourable to related parties than those generally available to the public and are not to the detriment of the minority shareholders.

The Audit and Governance Committee is also of the view that the MIG Group has in place adequate procedures and processes to monitor, track and identify RRPT(s) in a timely and orderly manner which procedures and processes are reviewed on a quarterly basis by the Audit and Governance Committee, and if necessary, the Audit and Governance Committee may request internal audit to review the systems and procedures.

## **8.0 RATIONALE FOR AND BENEFITS TO THE GROUP**

The rationale for and benefits of the Proposed Renewal of Shareholders' Mandate to MIG Group are as follows: -

- (a) the Proposed Renewal of Shareholders' Mandate will empower the Group to enter into transactions with related parties which are necessary for the day-to-day operations of the Group, undertaken at arm's length, normal commercial terms, on terms not more favourable to the related party than those generally made available to the public and are not detrimental to the minority shareholders;
- (b) the Proposed Renewal of Shareholders' Mandate will substantially reduce the expenses associated with convening of general meetings on an ad hoc basis and hence will reduce the expenses associated therewith;
- (c) the RRPT(s) entered into by the Group are intended to meet business needs at the best possible terms and it also enhances the ability to explore beneficial business opportunities and to promote cross-selling within the Group which will be of benefit to all the companies within MIG Group; and
- (d) In addition to the above benefits, the Related Parties had also proven to be reliable in its delivery of services and products as well as fulfilling the quality expectations of the MIG Group. Due to previous business dealings with the Related Parties, the Related Parties are familiar with the Group's operations and are able to meet the Group's business requirements even when short notice is given. This has allowed the Group to benefit from sudden business opportunities that had arisen.

## **9.0 EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

### **9.1 Share Capital**

The Proposed Renewal of Shareholders' Mandate will not have any effect on the issued share capital and shareholding structure of MIG.

### **9.2 NA and Working Capital**

The Proposed Renewal of Shareholders' Mandate will not have any effect on the NA and working capital of MIG.

### **9.3 Earnings**

The Proposed Renewal of Shareholders' Mandate will not have any effect on the earnings of MIG.

## **10.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

Save and except for the following, none of the Directors, Major Shareholders and/or persons connected to them as defined in the Listing Requirements has any interest either directly or indirectly in the Proposed Renewal of Shareholders' Mandate: -

- (a) TY is a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG.
- (b) MEBVI, MKSB and KLB collectively are the Major Shareholders of MIG.
- (c) TY and TYY are deemed interested in Trace by virtue of their major interests in MGB, who in turn is the holding company of Trace; MGB is the family owned investment holding company.

The details of the direct and indirect shareholdings of the interested Directors and Major Shareholders are reflected in the tables on Pages 7 to 8 of this Circular.

Accordingly, TY and TYY are deemed interested in the RRPT(s) entered into and to be entered into between MIG Group with the Related Parties by virtue of his/their interest in these companies as disclosed in Sections 3.3(A) and 3.3(B) of Part B of this Circular.

TY and TYY have abstained and will continue to abstain from voting and deliberating at Board meetings of MIG on the Proposed Renewal of Shareholders' Mandate.

TY, MEBVI, MKSB and KLB are Related Parties in respect of the RRPTs with the Related Parties referred to under Section 3.3(A)(ii) and 3.3(B) of Part B of this Circular, whereas TY and TYY are related parties in respect of the RRPT(s) with Trace under Section 3.3(A)(i) of Part B of this Circular and will abstain from voting at the forthcoming AGM in respect of their direct and/or indirect shareholdings on the Ordinary Resolutions 8 and 9 under Special Business as given in the Notice of 51st AGM enclosed in the Annual Report 2020 of the Company for the financial year ended 30 June 2020.

Further, TY, MEBVI, MKSB and KLB as well as TYY have undertaken that they will ensure that the persons connected to them will abstain from voting on the same at the forthcoming AGM.

Save as disclosed herein, none of the other Directors, Major Shareholders and/or person connected to them as defined in the Listing Requirements have any interest, direct or indirect in the Proposed Renewal of Shareholders' Mandate.

**PART C**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED AMENDMENTS TO THE  
CONSTITUTION OF THE COMPANY**

## 1.0 INTRODUCTION

On 28 August 2020, the Board announced to Bursa Securities that the Company proposed to seek shareholders' approval for the amendments to the Constitution at the forthcoming AGM.

The purpose of Part C of this Circular is to provide you with the information on the Proposed Amendments and to seek your approval for the special resolution pertaining to the Proposed Amendments to be tabled at the forthcoming AGM.

## 2.0 DETAILS OF THE PROPOSED AMENDMENTS TO THE CONSTITUTION

2.1 THAT the following new Articles be inserted to the Company's Constitution after the existing Article 72(4)(a)(b)(c) as Article 72(5) and 72(6) which reads as follows:

New provision	Proposed New Articles
Article 72(5)	The meeting of Members may be held at more than one (1) venue using any technology or method that allows the Members to participate and to exercise the Members' rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of Members subject to rules, regulations and laws prevailing and such participation shall constitute presence in person and Members (or their proxy or in the case of a corporation their representative) so participating shall be counted in the quorum for the meeting.
Article 72(6)	The main venue of the meeting however shall be in Malaysia and where the Chairman of the meeting shall be present.

## 3.0 RATIONALE FOR THE PROPOSED AMENDMENTS TO THE CONSTITUTION

The Proposed Amendments to the Company's Constitution are made mainly to have expressed constitutional provisions to allow remote participation at general meetings and to further enhance administrative efficiency of the Company.

## 4.0 EFFECTS OF THE PROPOSED AMENDMENTS TO THE CONSTITUTION

The Proposed Amendments to the Constitution will not have any effect on the issued share capital, and major shareholders' shareholdings of MIG and would not have any material effect on the net assets and earnings of MIG Group.

## 5.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors and/or Major Shareholders of MIG and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Amendments to the Constitution.

## (II) DIRECTORS' RECOMMENDATION

### (a) On Proposed Renewal of Shareholders' Mandate

The Board (save and except for TY and TYY who are deemed to be interested in the Proposed Renewal of Shareholders' Mandate), having considered all aspects of the Proposed Renewal of Shareholders' Mandate, are of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of the Company and its shareholders. Accordingly, the Board (save and except for TY and TYY who are deemed to be interested in the Proposed Renewal of Shareholders' Mandate) recommend that you vote in favour of the resolutions pertaining to the Proposed Renewal of Shareholders' Mandate contained herein to be tabled at the forthcoming AGM.

### (b) On Proposed Amendments to the Constitution of the Company

Similarly, the Board, having considered all aspects of the Proposed Amendments to the Constitution is of the opinion that the Proposed Amendments is in the best interest of the Company. Accordingly, the Directors recommend that you vote in favour of the resolution pertaining to the Proposed Amendments to the Constitution of the Company to be tabled at the forthcoming AGM.

## (III) APPROVAL REQUIRED

The Proposed Renewal of Shareholders' Mandate and Proposed Amendments to the Constitution of the Company are subject to the approval of the shareholders at the forthcoming 51st AGM to be convened on 30 November 2020.

## (IV) ANNUAL GENERAL MEETING

The 51st AGM, the notice of which is enclosed together with the Annual Report for the financial year ended 30 June 2020 will be held at **Crystal Function Room, 4th Floor, Mutiara Complex, 3 ½ Miles, Jalan Ipoh, 51200 Kuala Lumpur on Monday, 30 November 2020 at 11.30 a.m.** for the purpose of considering and, if thought fit, passing the Ordinary/Special Resolutions as set out in the notice.

If you are unable to attend and vote in person at the 51st AGM, you are requested to complete and return the Form of Proxy enclosed together with the said Annual Report in accordance with the instructions therein as soon as possible so as to arrive not less than 48 hours before the time set for the 51st AGM or any adjournment thereof. The completion and the return of the Form of Proxy does not preclude you from attending and voting in person at the 51st AGM should you subsequently wish to do so, but if you do, your proxy shall be precluded from attending the 51st AGM.

Please be informed that where all the shares have been sold or transferred by the addressee, the Circular and any other relevant document should be passed to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Should there be any doubt as to what action to take, kindly consult appropriate independent professional advisers.

**(V) FURTHER INFORMATION**

Shareholders are advised to refer to **Appendix 1** attached for further information.

Yours faithfully,  
For and on behalf of the Board of  
**MELEWAR INDUSTRIAL GROUP BERHAD**

**SHAZAL YUSUF BIN MOHAMED ZAIN**  
Senior Independent Non-Executive Director

**ADDITIONAL INFORMATION****1.0 DIRECTORS' RESPONSIBILITY STATEMENT**

This Statement/Circular has been reviewed and approved by the Directors and they individually and collectively accept full responsibility for the accuracy of the information contained herein and confirm that after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Statement/Circular misleading.

**2.0 MATERIAL CONTRACTS**

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by MIG or any of its subsidiaries within the past two (2) years immediately preceding the date of this Statement/Circular :-

- (i) Share Sale Agreement dated 14 August 2020 between MIG and Datuk Uwe Ahrens in relation to the disposal of 69,022,201 ordinary shares and 2,000 redeemable preference shares in MIE, a wholly owned subsidiary of the Company for a cash consideration of RM750,000.00.

**3.0 MATERIAL LITIGATION**

MIG Group is not engaged in any material litigation, either as a plaintiff or defendant, claims or arbitration which have a material effect on the financial position of MIG and the Board is not aware of any proceedings pending or threatened against the MIG Group or of any other facts likely to give rise to any proceedings which may materially and/or adversely affect the financial position and business of the MIG Group.

**4.0 DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available for inspection at the Registered Office of the Company during the normal business hours from Mondays to Fridays (excluding public holidays) for the period commencing from the date of this Circular to the date of the forthcoming AGM :-

- (a) the Constitution of MIG;
- (b) the Statutory Financial Statements of MIG Group for the two (2) financial years ended 30 June 2019 and 30 June 2020; and
- (c) the material contracts referred to under Section 2.0 of Appendix 1.





**MELEWAR INDUSTRIAL GROUP BERHAD**

(Reg. No. 196901000102 (8444-W))

(Incorporated in Malaysia)

**NOTICE IS HEREBY GIVEN** that the **51ST ANNUAL GENERAL MEETING (“AGM”)** of the Company will be held at **Crystal Function Room, 4th Floor, Mutiara Complex, 3 ½ Miles, Jalan Ipoh, 51200 Kuala Lumpur** on **Monday, 30 November 2020 at 11.30 a.m.** for the following purposes:

**AGENDA**

**AS ORDINARY BUSINESS**

**Resolution**

1. To receive the Audited Financial Statements for the year ended 30 June 2020 together with the Reports of the Directors and the Auditors thereon.  
***[Please refer to Explanatory Note A]***
2. To approve the payment of Directors’ fees amounting to RM308,400.00 for the period from 1 January 2021 to 31 December 2021 to be payable quarterly in arrears to the Non-Executive Directors of the Company. **1**
3. To approve an amount of up to RM110,000.00 as benefits payable to the Non-Executive Directors of the Company for the period from 1 December 2020 to 31 December 2021.  
***[Please refer to Explanatory Note B]*** **2**
4. To re-elect the following Directors who are retiring in accordance with Article 96(1) of the Company’s Constitution and who, being eligible, offer themselves for re-election:
  - (i) Tunku Dato’ Yaacob Khyra **3**
  - (ii) Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah **4**
5. To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **5**

**AS SPECIAL BUSINESS**

6. To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:-
  - (a) **Proposed Continuation in Office as an Independent Non-Executive Director in accordance with Practice 4.2 of the Malaysian Code on Corporate Governance 2017 (“MCCG 2017”)** **6**

“THAT approval be and is hereby given for En Shazal Yusuf bin Mohamed Zain, who will have served as an Independent Non-Executive Director of the Company for a cumulative term of eleven (11) years on 30 May 2021, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM of the Company.”

***[Please refer to Explanatory Note C]***

**(b) Proposed Renewal of Share Buy-Back Authority**

**7**

“THAT subject to compliance with Section 127 of the Companies Act 2016 (“the Act”), the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authority, the Company be and is hereby unconditionally and generally authorised to purchase and hold such amount of shares in the Company (“Proposed Renewal of Share Buy-Back Authority”) as may be determined by the Directors of the Company from time-to-time through the Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares to be purchased pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company and the maximum funds to be allocated for the Proposed Renewal of Share Buy-Back Authority shall not exceed the retained profits of the Company available at the time of the intended purchase.

AND THAT such authority shall commence immediately upon passing of this Ordinary Resolution and will expire at the conclusion of the next AGM of the Company unless earlier revoked or varied by Ordinary Resolution of shareholders of the Company in a general meeting or upon the expiration of the period within which the next AGM is required by law to be held whichever is earlier but not so as to prejudice the completion of purchase(s) made by the Company before the aforesaid expiry date.

AND THAT the Directors be and are hereby authorised to take all steps necessary to implement, finalise and to give full effect to the Proposed Renewal of Share Buy-Back Authority and further THAT authority be and is hereby given to the Directors to decide in their absolute discretion to either retain the shares so purchased as treasury shares or cancel them or both.”

**(c) Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Trace Management Services Sdn Bhd**

**8**

“THAT approval be hereby given for the renewal of the mandate granted by the shareholders of the Company on 29 November 2019 pursuant to Paragraph 10.09 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), authorising the Company and/or its subsidiaries to enter into the recurrent related party transactions (“RRPTs”) of a revenue or trading nature as set out in Section 3.3(A)(i) of Part B of the Circular to Shareholders dated 30 October 2020 (“the Circular”), with Trace Management Services Sdn Bhd (“the Related Party”) mentioned therein which are necessary, for the Company and/or its subsidiaries’ for day-to-day operations which are carried out in the ordinary course of business on terms which are not more favourable to the Related Party than those generally available to the public and are not to the detriment of minority shareholders.

THAT the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the forthcoming AGM at which time it will lapse, unless by a resolution passed at that meeting or Extraordinary General Meeting whereby the authority is renewed; or

- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (c) revoked or varied by a resolution passed by the shareholders in a general meeting of the Company;

whichever is the earlier.

THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.”

**(d) Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

**9**

“THAT the mandate granted by the shareholders of the Company on 29 November 2019 pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Securities, authorising the Company and its subsidiaries (“the MIG Group”) to enter into the RRPTs of a revenue or trading nature which are necessary for the MIG Group's day-to-day operations as set out in Sections 3.3(A)(ii) and 3.3(B) of Part B of the Circular to Shareholders dated 30 October 2020 (“the Circular”) with the related parties mentioned therein, be and are hereby renewed, provided that:-

- a) the transactions are in the ordinary course of business and are on terms which are not more favourable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders of the Company; and
- b) the transactions are made at arm’s length and on normal commercial terms.

AND THAT, authority conferred by such renewed and granted mandate shall continue to be in force (unless revoked or varied by the Company in general meeting) until:

- a) the conclusion of the next AGM of the Company following the forthcoming AGM at which time it will lapse, unless by a resolution passed at that meeting or Extraordinary General Meeting whereby the authority is renewed; or
- b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act but shall 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 in general meeting;

whichever is the earliest.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.”

**(e) Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Act** **10**

“THAT, subject always to the Act, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, where such approval is necessary, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company at any time until the conclusion of the next AGM, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued.”

7. To consider and, if thought fit, to pass the following resolution as Special Resolution:-

**(a) Proposed Amendments to the Constitution of the Company (“Proposed Amendments”)** **Special Resolution 1**

“THAT the Proposed Amendments to the Company’s Constitution as set out in Part C of the Circular to Shareholders dated 30 October 2020 be and are hereby approved AND THAT the Directors be and are hereby authorised to do all such acts and things and to take such steps that are necessary to give effect to the Proposed Amendments to the Constitution of the Company.”

By Order of the Board

**LILY YIN KAM MAY (MAICSA 0878038)**  
Company Secretary

Kuala Lumpur  
30 October 2020

**NOTES:-**

1. Applicable to shares held through a nominee account.
2. A member entitled to attend, speak and vote at a meeting of the Company is entitled to appoint more than one (1) proxy to attend, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be presented by each proxy.
4. Where a member is an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account (“omnibus account”) as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy, shall be in writing under the hand of the appointer or his attorney duly authorised in writing, and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at the Company’s Registered Office, Suite 11.05, 11<sup>th</sup> Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

7. Any alteration in the form of proxy must be initialled.
8. Form of proxy sent through facsimile transmission shall not be accepted.
9. For the purpose of determining a member who shall be entitled to attend this 51st AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Articles 72(4)(a), 72(4)(b) and 72(4)(c) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 20 November 2020. Only a depositor whose name appears on the Record of Depositors as at 20 November 2020 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and/or vote on his/her behalf.
10. Explanatory Notes to Ordinary Business:

**(A) Audited Financial Statements**

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders and hence, is not put forward for voting.

**(B) Benefits Payable to Non-Executive Directors (Ordinary Resolution 2)**

Section 230(1) of the Act provides amongst others that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The proposed Ordinary Resolution 2 is to seek shareholders' approval for payment of Directors' Benefits (excluding Directors' fees) to the Non-Executive Directors for the period from 1 December 2020 to 31 December 2021.

The benefits comprises the meeting allowances, benefits-in-kind and other emoluments payable to the Non-Executive Directors of the Company.

In determining the estimated total amount of remuneration (excluding Directors' fees) for the Non-Executive Directors of the Company, the Board considered various factors including the number of scheduled meetings for the Board and Board Committees as well as the number of Non-Executive Directors involved in these meetings.

The Board is of the view that it is just and equitable for the Non-Executive Directors to be paid the directors' remuneration (excluding Directors' fees) as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the relevant period.

11. Explanatory Notes to Special Business:

**(C) Proposed Continuation in Office as an Independent Non-Executive Director in accordance with Practice 4.2 of the MCG 2017 (Ordinary Resolution 6)**

In line with the Practice 4.2 of the MCG 2017, the Proposed Ordinary Resolution 6, if passed, will enable En Shazal Yusuf bin Mohamed Zain, who will have served as an Independent Non-Executive Director of the Company for a cumulative term of eleven (11) years on 30 May 2021, to continue to act as an Independent Non-Executive Director of the Company.

Both the Nomination and Remuneration Committee and the Board have assessed the independence of En Shazal Yusuf bin Mohamed Zain and recommended him to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM based on the following justifications:

- (i) The Group has benefited from the long serving Independent Non-Executive Director, who possessed detailed knowledge of the Group's business, standard operating procedures, internal controls and risks profile and has proven commitment, experience, competence and wisdom to effectively advise the Management from time to time.
- (ii) He is independent in character and judgement, independent of management, more objective and free from any relationship or circumstances which are likely to affect or could affect his judgement or making of decisions in the best interest of the Company and brings different perspectives of issues tabled to the Board.

- (iii) He had fulfilled the criteria under the definition of Independent Director as stated in the Listing Requirements of Bursa Securities, and thus he would be able to function as check and balance and bring an element of objectivity to the Board.
- (iv) He has vast experience in banking and finance industry enabling him to provide the Board with a diverse set of experience, expertise and independent judgement.
- (v) He had devoted sufficient time and attention to his professional obligations for an informed and balanced decision making.
- (vi) He had consistently challenged management in an effective and constructive manner and provided an independent voice on the Board.
- (vii) He had also exercised his due care and diligence during his tenure as an Independent Non-Executive Director of the Company and had carried out his professional duties in the best interest of the Company and shareholders.

The profile of En Shazal Yusuf bin Mohamed Zain is set out in the Directors' Profile on page 27 of the Annual Report.

**(D) Proposed Renewal of Share Buy-Back Authority (Ordinary Resolution 7)**

The Proposed Ordinary Resolution 7, if passed, would empower the Directors to exercise the power of the Company to purchase its own shares ("the Proposal") by utilising its financial resources not immediately required. The Proposal may have a positive impact on the market price of the Company's shares. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

**(E) Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Ordinary Resolutions 8 and 9)**

The Proposed Ordinary Resolutions 8 and 9, if passed, will empower the Company to conduct RRPTs of a revenue or trading nature which are necessary for the Group's day-to-day operations, and will eliminate the need to convene separate general meetings from time to time to seek shareholders' approval. This will substantially reduce administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

**(F) Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Act (Ordinary Resolution 10)**

The Ordinary Resolution proposed under Resolution 10 of the Agenda is a renewal of the General Mandate for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Act. This mandate will provide flexibility for the Company to undertake future possible fund raising activities, including but not limited to placement of shares for purpose of funding the Company's future investment projects, working capital and/or acquisition(s) without having to convene another general meeting.

The Proposed Resolution 10, if passed, will give authority to the Directors of the Company, from the date of the above AGM, to issue and allot shares in the Company up to an amount not exceeding in total ten percent (10%) of the total number of issued shares of the Company for the time being, for such purposes as they consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the 50th AGM held on 29 November 2019, which will lapse at the conclusion of the 51st AGM to be held on 30 November 2020.

**(G) Proposed Amendments to the Constitution of the Company (Special Resolution 1)**

The Proposed Amendments to the Company's Constitution under Special Resolution 1 are made mainly to have expressed constitutional provisions to allow remote participation at general meetings and to further enhance administrative efficiency of the Company.

12. Poll Voting

All the Resolutions mentioned above will be put to vote by Poll.

The detailed information on Special Business of Agenda 6 except for Ordinary Resolutions 6 and 10 as mentioned above is set out in the Circular to Shareholders of the Company dated 30 October 2020 which is despatched together with the Company's 2020 Annual Report.

### **Measures to Minimise Risk of COVID-19**

In order to minimise the risk of community spread of COVID-19, the Company will be taking the following precautionary measures at the 51<sup>st</sup> AGM :

1. Members or proxies are encouraged to abide by the most current regulations in place and enforced by the Ministry of Health and Government of Malaysia at the time deciding on whether or not to attend the 51<sup>st</sup> AGM in person.
2. Members are encouraged to appoint the Chairman of the Meeting to act as proxy to attend and vote at the 51<sup>st</sup> AGM on their behalf by submitting the proxy form with predetermined voting instruction. The proxy form is attached to the Notice of AGM. If you have any questions in relation to any item of the Agenda of the 51<sup>st</sup> AGM, you may send them in advance via email at [lily@crestcorp.com.my](mailto:lily@crestcorp.com.my) or [shazalyusuf@gmail.com](mailto:shazalyusuf@gmail.com).
3. Members or proxies who are feeling unwell or have been placed on quarantine orders or stay-at-home notices, you are advised to refrain from attending the 51<sup>st</sup> AGM in person.
4. A health screening counter will be set up for the purpose of health screening and body temperature will be taken for all persons before entering the venue. A member or proxy who has temperature of 37.5°C or higher or exhibits flu-like symptoms will not be permitted to attend the Meeting.
5. In the interest of the public health including the well-being of our members, members must cooperate with the precautionary measures put in place by the Company should members (or your proxies) wish to attend the 51<sup>st</sup> AGM in person.
6. Members/proxies must sanitise their hands and are strongly advised to wear a face mask if they are attending the Meeting in person. Please note that no face mask will be provided at the Meeting venue.
7. Members or proxies are advised to observe/maintain social distancing of at least 1 meter from each other throughout the Meeting.
8. Members or proxies are advised to arrive early at the Meeting venue given that the above-mentioned precautionary measures may cause delay in the registration process.
9. **NO door gift nor meal vouchers will be provided** to the Members/proxies.
10. **NO refreshment will be served** at the Meeting venue.

**In view of the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our 51<sup>st</sup> AGM at short notice. Kindly check Bursa Securities's website at [www.bursamalaysia.com](http://www.bursamalaysia.com), Share Registrar's website at [www.tracemanagement.com.my](http://www.tracemanagement.com.my) and the Company's website at [www.melewar-mig.com](http://www.melewar-mig.com) for the latest updates on the status of the said Meeting.**

### **PERSONAL DATA POLICY**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.