

**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 the provisions of Practice Note 18 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) on the perusal of draft circulars and other documents, Bursa Securities has not perused this Statement/Circular prior to its issuance, as it is an Exempt Circular. Bursa Securities takes no responsibility for the contents of this Statement/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 content of this Statement/Circular.



**ALCOM GROUP BERHAD**  
(Registration No. 201701047083 (1261259-V))  
(Incorporated in Malaysia)

**PART A**

**SHARE BUY-BACK STATEMENT IN RELATION TO THE  
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY  
TO PURCHASE ITS OWN SHARES**

**PART B**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE  
PROPOSED RENEWAL OF MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The above proposals will be tabled as Special Business at the Second Annual General Meeting (“AGM”) of Alcom Group Berhad (“AGB” or “the Company”) which will be conducted fully virtual and entirely through live streaming from the Broadcast Venue. The Notice of the Second AGM of the Company, Proxy Form and Administrative Details for the Second AGM are made available together with the Company’s Annual Report 2019 at <https://alcom.com.my/main/investor/>.

The Proxy Form must be deposited with/received by the Company’s Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor” or “TIIH”) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia. Alternatively, the Proxy Form may be deposited via TIIH Online at <https://tjih.online>. Please refer to the Administrative Details for the Second AGM for further information on electronic submission. All Proxy Forms must be deposited with/received by Tricor not less than forty-eight (48) hours before the time appointed for holding the Second AGM of the Company or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending, speaking and voting remotely at the said AGM using remote participation and voting facilities, should you subsequently wish to do so.

Last day and time for lodging the Proxy Form	:	Sunday, 21 June 2020 at 10.00 a.m.
Day and time of the Second AGM of the Company	:	Tuesday, 23 June 2020 at 10.00 a.m.
Broadcast Venue of the Second AGM of the Company	:	Board Room, R-05-17 (Level 5) Wisma SClan, Emporis Kota Damansara Persiaran Surian, 47810 Petaling Jaya Selangor Darul Ehsan, Malaysia

## DEFINITIONS

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In this Circular, unless otherwise stated, the following abbreviations shall have the following meanings:

Act	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
AGB or the Company	:	Alcom Group Berhad (Registration No. 201701047083 (1261259-V))
AGB Group or the Group	:	AGB and its subsidiaries
AGB Share(s) or Share(s)	:	Ordinary share(s) in AGB
AGM	:	Annual General Meeting
ALCOM	:	Aluminium Company of Malaysia Berhad (Registration No. 196001000186 (3859-U))
ALCOM Share(s)	:	Ordinary share(s) in ALCOM
Annual Report 2019	:	Annual Report of AGB issued for the financial year ended 31 December 2019
ANSC	:	Alcom Nikkei Specialty Coatings Sdn Bhd (Registration No. 199001011899 (203469-H))
ARMC	:	Audit and Risk Management Committee
Board	:	The Board of Directors of AGB
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Can-One	:	Can-One Berhad (Registration No. 200401000396 (638899-K))
Can-One Group	:	Can-One and its subsidiaries
Can-One Share(s)	:	Ordinary share(s) in Can-One
CMSA	:	Capital Markets & Services Act, 2007
Code	:	Malaysian Code on Take-Overs and Mergers 2016
Director(s)	:	Shall have the meaning given in Section 2(1) of the CMSA and for the purpose of the Proposed Renewal of Mandate, includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive officer of AGB or its subsidiaries or holding company, in accordance with the definition in Chapter 10 of the Listing Requirements
EPS	:	Earnings per Share
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
LPD	:	30 April 2020, being the latest practicable date prior to the printing of this Circular

## DEFINITIONS

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Major Shareholder	:	<p>A person who has an interest or interests in one (1) or more voting shares in a corporation and the number or aggregate number of those shares, is –</p> <p>(a) ten per centum (10%) or more of the total number of voting shares in the corporation; or</p> <p>(b) five per centum (5%) or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.</p> <p>For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act</p> <p>For the purpose of the Proposed Renewal of Mandate, a Major Shareholder (as defined above) includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of the Company or any other corporation which is its subsidiary or holding company, in accordance with the definition in Chapter 10 of the Listing Requirements</p>
NA	:	Net assets
Person(s) Connected	:	Shall have the same meaning given in Paragraph 1.01, Chapter 1 of the Listing Requirements
Proposed Renewal of Authority	:	Proposed renewal of existing authority for Proposed Share Buy-Back obtained on 29 May 2019 from shareholders of the Company
Proposed Renewal Mandate	:	Proposed renewal of existing mandate for RRPTs obtained from shareholders of the Company on 29 May 2019 as set out in Section 2.4 of Part B of this Circular
Proposed Share Buy-Back	:	The proposal to enable AGB to purchase or hold in aggregate such number of its ordinary shares representing not more than ten per centum (10%) of the total number of issued shares in AGB
Purchased Shares	:	Shares purchased pursuant to the Proposed Share Buy-Back
Related Party(ies)	:	A Director, Major Shareholder or Person Connected with such Director or Major Shareholder
RM and Sen	:	Ringgit Malaysia and Sen respectively
Recurrent Transactions	:	Recurrent related party transactions of a revenue or trading nature which are necessary for AGB Group’s day-to-day operations
RRPTs	:	Transactions entered into or proposed to be entered into by the Company and/or its subsidiaries which involve the interest, direct or indirect, of the Related Parties and which are recurrent, of a revenue or trading nature and which are necessary for day-to-day operations of AGB Group and are in the ordinary course of business of AGB Group as specified in Section 2.4 of Part B of this Circular
Rules	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions 2016 as amended from time to time and any re-enactment thereof
SC	:	Securities Commission Malaysia

## **DEFINITIONS**

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- Substantial Shareholder : A person who has an interest or interests in one (1) or more voting shares in AGB and the number or the aggregate number of such shares, is not less than five per centum (5%) of the aggregate of the total number of all the voting shares in AGB
- Transacting Party(ies) : A party with which the Company or its subsidiaries has entered into a RRPT under the Proposed Renewal of Mandate

Unless otherwise stated, the information set out above in relation to the Major Shareholders, Directors and Persons Connected is as at LPD.

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

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

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference to time of day in this Circular is a reference to Malaysian time, unless otherwise stated.

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**PART A**

**SHARE BUY-BACK STATEMENT IN RELATION TO THE  
PROPOSED RENEWAL OF AUTHORITY FOR  
THE COMPANY TO PURCHASE ITS OWN SHARES**



**ALCOM GROUP BERHAD**  
(Registration No. 201701047083 (1261259-V))  
(Incorporated in Malaysia)

**STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

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**1.0 INTRODUCTION**

The shareholders of the Company had on 29 May 2019 approved, inter-alia, the authority for the Company to purchase such number of Shares of up to ten per centum (10%) of the prevailing total number of issued Shares in the Company.

In accordance with the Listing Requirements, the said authority will expire at the conclusion of the forthcoming Second AGM of the Company unless authority for its renewal is obtained from shareholders of the Company.

Accordingly, on 13 May 2020, the Company announced to Bursa Securities that it intends to seek shareholders' approval for the Proposed Renewal of Authority at the forthcoming Second AGM of the Company.

The purpose of this Statement is to provide you with the relevant information on the Proposed Share Buy-Back and to seek your approval for the ordinary resolution on the Proposed Renewal of Authority which will be tabled at the forthcoming Second AGM of the Company to be conducted fully virtual and live-streamed from the broadcast venue at Board Room, R-05-17 (Level 5), Wisma SCLand, Emporis Kota Damansara, Persiaran Surian, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 23 June 2020 at 10.00 a.m.

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

The Board proposes to seek from the shareholders of the Company a renewal of authority for the Company to purchase from time to time and at any time, in aggregate such number of Shares representing not more than ten per centum (10%) of the total number of issued shares in the Company as at the time of the purchase, on Bursa Securities through stockbrokers to be appointed by the Company at a later date.

Arising from the migration to the no par value regime under the Act, par value is no longer relevant. Pursuant to Section 74 of the Act, as at LPD, the total number of issued shares in the Company is 134,330,850. Hence, the maximum number of Shares which may be purchased by the Company will be 13,433,085 Shares.

The Proposed Share Buy-Back is subject to compliance with the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase including compliance with the public shareholding spread as required by the Listing Requirements.

The authority from shareholders for the Proposed Share Buy-Back, if renewed, will be effective immediately upon the passing of the ordinary resolution to be tabled at the forthcoming Second AGM of the Company and will continue to be in force until:

- (i) the conclusion of the next AGM of the Company, 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
- (ii) the expiration of the period within which the next AGM is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

## **2.0 DETAILS OF THE PROPOSED SHARE BUY-BACK (CONTINUED)**

The Proposed Renewal of Authority does not impose an obligation on the Company to purchase its own Shares but rather, it will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period.

The actual number of Shares to be purchased, the total amount of funds involved for each purchase and the funding of the purchase will depend on, inter-alia, the market conditions and sentiments of the stock market as well as the availability of retained profits and financial resources available to the Company.

### **2.1 Status and Treatment of Purchased Shares**

Pursuant to the provisions of Section 127(7) of the Act, the Board may deal with the Purchased Shares in the following manner:

- (a) cancel the Shares so purchased; or
- (b) retain the Shares so purchased as treasury shares; or
- (c) retain part of the Shares so purchased as treasury shares and cancel the remainder; or
- (d) distribute the treasury shares as share dividends to shareholders; or
- (e) resell the treasury shares or any of the said shares in accordance with the Listing Requirements; or
- (f) transfer the treasury shares, or any of the said shares as purchase consideration; or
- (g) transfer the treasury shares, or any of the shares for the purposes of or under an employees' share scheme; or
- (h) cancel the treasury shares or any of the said shares.

Appropriate announcement(s) and notice(s) will be made to Bursa Securities and the relevant authorities in respect of the Board's decision on the treatment of the Purchased Shares in compliance with the Listing Requirements and the Act. The Board may decide to cancel the Purchased Shares if the cancellation of the said shares is expected to enhance the EPS of the Group and thereby in the long term, have a positive impact on the market price of the Shares. If the Board decides to retain the Purchased Shares as treasury shares, it may distribute the treasury shares as share dividends to the Company's shareholders and/or resell the Purchased Shares in accordance with the Listing Requirements and utilise the proceeds for any feasible investment opportunity arising in future as working capital.

While the Purchased Shares are held as treasury shares, the rights attached to them as to voting, dividends and participation in other distributions and otherwise are suspended, and the treasury shares shall not be taken into account in calculating the number or percentage of Shares or 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 resolution at a meeting of the shareholders.

### **2.2 Funding for the Proposed Share Buy-Back**

The Board proposes to allocate a maximum amount not exceeding the retained profits of the Company for the Proposed Share Buy-Back. The accumulated losses of the Company based on the audited financial statements of the Company for the financial year ended 31 December 2019 was RM1,749,237.

The Proposed Share Buy-Back will be funded from internally generated funds and/or bank borrowings, the proportion of which will depend on the quantum of purchase consideration as well as the availability of internally generated funds and borrowings and repayment capabilities of the Company at the time of purchase.

In the event that the Proposed Share Buy-Back is to be partly financed by bank borrowings, this is not expected to affect the Company's repayment capabilities. Although the cash flow of the Company and the Group will be reduced to the extent of the number of Shares bought and the purchase consideration, the Company do not foresee any difficulty and the Proposed Share Buy-Back is not expected to have a negative impact on the financial results of the Group.

The Board is mindful of the interest of the Company and its shareholders and will be prudent in respect of the Proposed Share Buy-Back exercise.



## **2.0 DETAILS OF THE PROPOSED SHARE BUY-BACK (CONTINUED)**

### **2.3 Pricing**

Pursuant to the Listing Requirements, the Company may only purchase its own Shares on Bursa Securities at a price which is not more than fifteen per centum (15%) above the weighted average market price for the Shares for the five (5) market days immediately before the date of the purchase. The Company may only resell the Purchased Shares held as treasury shares on Bursa Securities at:

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

### **3.0 ADVANTAGES/RATIONALE OF THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back provides the opportunity for AGB to stabilise the supply and demand of AGB Shares in the open market and thereby allowing the share price of AGB to better reflect the fundamental value of AGB Shares.

The Proposed Share Buy-Back is expected to enhance the EPS and the return on equity in the event of the cancellation of the Shares bought back by AGB which will benefit its shareholders.

The Purchased Shares can also be held as treasury shares and resold in accordance with the Listing Requirements on the market of Bursa Securities at a higher price with the intention of realising a potential gain without affecting the total number of issued shares in AGB.

In the event the treasury shares are distributed as share dividends to shareholders, this would serve as a reward to the shareholders of the Company. In the event the treasury shares are transferred to employees of the Group, this would serve as a reward to the employees of the Group.

### **4.0 POTENTIAL DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back if exercised, will reduce the:

- (i) financial resources of the Group. This may result in the Group having to forgo other investment opportunities that may emerge in the future or deprive the Company of interest income that may be earned from deposits with licensed financial institutions.
- (ii) amount of retained profits available for distribution in the form of cash dividends to the shareholders of the Company in the event that the Purchased Shares are cancelled, or if the Purchased Shares are held as treasury shares and are subsequently sold on the market of Bursa Securities at a loss.

However, the financial resources of the Group may increase if the Purchased Shares held as treasury shares are resold in the market at prices higher than the purchase price. Therefore, the Proposed Share Buy-Back will be undertaken only after due consideration of the financial resources of the Group. The Board will be mindful of the interests of the Company and its shareholders when undertaking the Proposed Share Buy-Back.

### **5.0 EFFECTS OF THE PROPOSED SHARE BUY-BACK**

#### **5.1 Issued Shares**

The effect of the Proposed Share Buy-Back on the total number of issued shares in the Company will depend on whether the Purchased Shares are cancelled or retained as treasury shares.

## 5.0 EFFECTS OF THE PROPOSED SHARE BUY-BACK (CONTINUED)

### 5.1 Issued Shares (Continued)

The Proposed Share Buy-Back will result in a reduction of the total number of issued shares in the Company if the Purchased Shares are cancelled. Based on the assumption that the Proposed Share Buy-Back is implemented in full and all the Purchased Shares are cancelled, the effect on the issued shares of the Company is illustrated below:

	<b>No. of shares</b>
Existing number of issued Shares as at LPD	134,330,850
Less:	
Maximum number of Purchased Shares cancelled	<u>(13,433,085)</u>
Resultant number of issued Shares upon completion of the Proposed Share Buy-Back	<u>120,897,765</u>

However, there will be no effect on the total number of issued shares in the Company if the Purchased Shares are retained as treasury shares, resold or distributed to the shareholders.

### 5.2 NA

When the Company purchases its own shares, regardless of whether they are retained as treasury shares or are subsequently cancelled, the NA per Share of the Group will decrease if the cost per Share purchased exceeds the NA per Share of the Group at the time of purchase. Conversely, if the cost per Share purchased is below the NA per Share of the Group at the time of purchase, the NA per Share of the Group will increase.

In the case where the Purchased Shares are treated as treasury shares and are subsequently resold on Bursa Securities, the NA per Share of the Group upon resale will increase if the Company realises a gain from the resale, and vice versa. If the treasury shares are distributed as share dividends, the NA of the Group will decrease by the cost of the treasury shares.

### 5.3 Working Capital

The Proposed Share Buy-Back, if exercised, will reduce the working capital and cashflow of the Group, the quantum of which is dependent, on the number of Shares purchased, the purchase price(s) of the Shares and the funding cost, if any.

However, the working capital and the cashflow of the Group will increase upon resale of the Purchased Shares which are retained as treasury shares. Again, the quantum of the increase in the working capital and cashflow will depend on the actual selling price(s) of the treasury shares and the number of treasury shares resold.

### 5.4 Earnings

All things being equal, the Proposed Share Buy-Back will result in a lower number of Shares being used for the computation of EPS whether the Shares purchased are subsequently cancelled or retained as treasury shares. The extent of the effect on the EPS of the Group will depend on the purchase price(s) of the Shares, the number of Shares purchased, and the effective funding cost or loss in interest income and/or the opportunity cost in relation to other investment opportunities to the Group.

In the event that the treasury shares are resold on the open market, the EPS of the Group may increase if the Company realises a gain from the sale and vice versa. The effects on the earnings of the Group will depend on the actual selling price(s), the number of treasury shares resold and the effective gain or loss arising from the resale.

**5.0 EFFECTS OF THE PROPOSED SHARE BUY-BACK (CONTINUED)**

**5.5 Dividends**

The Proposed Share Buy-Back is not expected to have any material effect on the dividend payments of the Company. The dividend to be declared by the Company in the future would be determined by the Board after taking into consideration the performance of the Group and the prevailing economic conditions.

However, as stated in Sections 2 and 3 above, the Board may distribute future dividends in the form of the treasury shares purchased pursuant to the Proposed Share Buy-Back.

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## 5.0 EFFECTS OF THE PROPOSED SHARE BUY-BACK (CONTINUED)

### 5.6 Directors' and Substantial Shareholders' Shareholdings

#### (a) Directors

Based on the Company's Register of Directors' shareholdings as at LPD and assuming the Company acquires the maximum number of the Shares authorised under the Proposed Share Buy-Back and all the Shares so purchased are fully cancelled, the effect of the Proposed Share Buy-Back on the shareholdings of the Directors of the Company are as follows:

Directors	As at LPD			After Proposed Share Buy-Back		
	Direct		Indirect	Direct		Indirect
	No. of Shares	%		No. of Shares	%	
Dato' Seri Subahan bin Kamal	-	-	-	-	-	-
Heon Chee Shyong	-	-	-	-	-	-
Yeoh Jin Hoe	-	-	42,531,698 <sup>(b)</sup>	-	42,531,698 <sup>(b)</sup>	35.18
Dato' Eng Kim Liong	-	-	39,675,554 <sup>(a)</sup>	-	39,675,554 <sup>(a)</sup>	32.82
Ang Loo Leong	-	-	39,675,554 <sup>(a)</sup>	-	39,675,554 <sup>(a)</sup>	32.82
Wong Choon Shein	-	-	-	-	-	-
Lam Voon Kean	-	-	-	-	-	-
Marc Francis Yeoh Min Chang (Alternate Director to Yeoh Jin Hoe)	-	-	-	-	-	-

Notes:

<sup>(a)</sup> Indirect interest through Shares held by SCLand Holdings Sdn. Bhd.

<sup>(b)</sup> Deemed interest by virtue of his shareholding in Towerpack Sdn. Bhd. pursuant to Section 8(4) of the Act.

**5.0 EFFECTS OF THE PROPOSED SHARE BUY-BACK (CONTINUED)**

**5.6 Directors' and Substantial Shareholders' Shareholdings (Continued)**

**(b) Substantial Shareholders**

Based on the Company's Register of Substantial Shareholders' shareholdings as at LPD and assuming the Company acquires the maximum number of the Shares authorised under the Proposed Share Buy-Back and all the Shares so purchased are fully cancelled, the effect of the Proposed Share Buy-Back on the shareholdings of the Substantial Shareholders of the Company are as follows:

Substantial Shareholders	As at LPD				After Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
SCLand Holdings Sdn. Bhd.	39,675,554	29.54	-	-	39,675,554	32.82	-	-
Standout Success Sdn. Bhd.	-	-	39,675,554 <sup>(a)</sup>	29.54	-	-	39,675,554 <sup>(a)</sup>	32.82
SCLand Sdn. Bhd.	-	-	39,675,554 <sup>(a)</sup>	29.54	-	-	39,675,554 <sup>(a)</sup>	32.82
RDS Properties Sdn. Bhd.	-	-	39,675,554 <sup>(a)</sup>	29.54	-	-	39,675,554 <sup>(a)</sup>	32.82
Dato' Lim Chee Khoon	-	-	39,675,554 <sup>(a)</sup>	29.54	-	-	39,675,554 <sup>(a)</sup>	32.82
Dato' Eng Kim Liong	-	-	39,675,554 <sup>(a)</sup>	29.54	-	-	39,675,554 <sup>(a)</sup>	32.82
Dato' Yong How Choong	-	-	39,675,554 <sup>(a)</sup>	29.54	-	-	39,675,554 <sup>(a)</sup>	32.82
Kam Choo Keng	-	-	39,675,554 <sup>(a)</sup>	29.54	-	-	39,675,554 <sup>(a)</sup>	32.82
Ang Loo Leong	-	-	39,675,554 <sup>(a)</sup>	29.54	-	--	39,675,554 <sup>(a)</sup>	32.82
Towerpack Sdn. Bhd.	42,531,698	31.66	-	-	42,531,698	35.18	-	-
Yeoh Jin Hoe	-	-	42,531,698 <sup>(b)</sup>	31.66	-	-	42,531,698 <sup>(b)</sup>	35.18

Notes:

<sup>(a)</sup> Indirect interest through Shares held by SCLand Holdings Sdn. Bhd.

<sup>(b)</sup> Deemed interest by virtue of his shareholding in Towerpack Sdn. Bhd. pursuant to Section 8(4) of the Act.

## **6.0 PUBLIC SHAREHOLDING SPREAD**

Based on the Company's Record of Depositors as at LPD, the public shareholding spread of the Company was 38.80%. Assuming the Proposed Share Buy-Back is implemented in full whereby the Company purchases 13,433,085 Shares representing ten per centum (10%) of the total number of issued Shares as at that date from the public shareholders and all the Purchased Shares are cancelled, the public shareholding spread of the Company would be reduced to 32.00%.

As at the date hereof, the Company has yet to determine the actual percentage of its own Shares to be purchased pursuant to the Proposed Renewal of Authority. However, the Company is mindful of the above implication relating to public shareholding spread and will use its best endeavours in purchasing its own Shares to such an extent that it will not result in the Company being in breach of the minimum public shareholding spread of twenty-five per centum (25%).

## **7.0 IMPLICATION OF THE PROPOSED SHARE BUY-BACK IN RELATION TO THE CODE**

In the event the Proposed Share Buy-Back results in any Director, Major Shareholder and/or parties acting in concert with him/them triggering a mandatory offer obligation under the Code, the affected Director or Major Shareholder will be obliged to make a mandatory offer for the remaining Shares in the Company not held by him/them.

However, an exemption may be sought from the SC by the affected Director or Major Shareholder under Section 219 of the CMSA before a mandatory offer obligation is triggered.

## **8.0 PURCHASE, RESALE, TRANSFER AND CANCELLATION OF PURCHASED SHARES MADE IN THE PREVIOUS TWELVE (12) MONTHS**

The Company has not made any purchase, resale, transfer or cancellation of its Shares since it obtained the shareholders' mandate at the First AGM held on 29 May 2019 up to the date of this Statement. As at LPD, no treasury shares were held by the Company.

## **9.0 APPROVAL REQUIRED**

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

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

Save for the proportionate increase in the percentage of shareholdings including, amongst others, the voting rights of the shareholders of the Company as a result of the Proposed Share Buy-Back, none of the Directors and/or Major Shareholders of the Company and/or persons connected with them have any interest, direct or indirect, in the Proposed Share Buy-Back or resale of treasury shares, if any.

## **11.0 BOARD'S RECOMMENDATION**

The Board, after having considered all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is in the best interests of the Company. Accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Authority to be tabled at the forthcoming Second AGM of the Company.

## **12.0 SECOND AGM OF THE COMPANY**

The Second AGM of the Company, the Notice of which is set out in the Annual Report 2019, will be conducted fully virtual and live-streamed from the broadcast venue at the Board Room, R-05-17 (Level 5), Wisma SCland, Emporis Kota Damansara, Persiaran Surian, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 23 June 2020 at 10.00 a.m. for purpose of considering and, if thought fit, passing the ordinary resolution as set out in the Notice of the AGM to approve and give effect to the Proposed Renewal of Authority.

## **12.0 SECOND AGM OF THE COMPANY (CONTINUED)**

If you are unable to attend, speak and vote remotely at the Second AGM of the Company, you are requested to complete and return the Proxy Form in accordance with the instructions thereon as soon as possible and in any event so as to arrive at the office of the Company's Share Registrar, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia. Alternatively, the Proxy Form may be deposited via TIIH Online at <https://tiah.online>. Please refer to the Administrative Details for the Second AGM for further information on electronic submission. All Proxy Forms must be deposited with/received by Tricor not less than forty-eight (48) hours before the time appointed for holding the Second AGM of the Company or any adjournment thereof.

This Share Buy-Back Statement is dated 21 May 2020.

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**PART B**

**CIRCULAR TO SHAREHOLDERS  
IN RELATION TO THE PROPOSED RENEWAL OF  
MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE**





**ALCOM GROUP BERHAD**  
(Registration No. 201701047083 (1261259-V))  
(Incorporated in Malaysia)

**Registered office:**

No. 3, Persiaran Waja,  
Bukit Raja Industrial Estate,  
41050 Klang  
Selangor Darul Ehsan  
Malaysia

21 May 2020

**Board of Directors:**

Dato' Seri Subahan bin Kamal (*Independent Non-Executive Chairman*)  
Heon Chee Shyong (*President cum Chief Executive Officer*)  
Yeoh Jin Hoe (*Executive Director*)  
Dato' Eng Kim Liong (*Executive Director*)  
Ang Loo Leong (*Executive Director*)  
Wong Choon Shein (*Independent Non-Executive Director*)  
Lam Voon Kean (*Independent Non-Executive Director*)  
Marc Francis Yeoh Min Chang (*Alternate Director to Yeoh Jin Hoe*)

**To: The Shareholders of AGB**

Dear Sir/Madam,

**PROPOSED RENEWAL OF MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS  
OF A REVENUE OR TRADING NATURE**

---

**1.0 INTRODUCTION**

The shareholders of the Company had on 29 May 2019 approved the shareholders' mandate for the Company to enter into RRPTs set out in Section 2.4 below.

In accordance with the Listing Requirements, the mandate referred to above shall lapse at the conclusion of the forthcoming Second AGM of the Company unless authority for its renewal is obtained from the shareholders of the Company.

Accordingly, on 13 May 2020, the Company announced to Bursa Securities that it intends to seek shareholders' approval for the Proposed Renewal of Mandate at the Company's forthcoming Second AGM of the Company.

The purpose of this Circular is to provide you with relevant information pertaining to the Proposed Renewal of Mandate and to seek your approval for the ordinary resolution in connection with the Proposed Renewal of Mandate to be tabled at the forthcoming Second AGM of the Company to be conducted fully virtual and live-streamed from the broadcast venue at the Board Room, R-05-17 (Level 5), Wisma SClاند, Emporis Kota Damansara, Persiaran Surian, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 23 June 2020 at 10.00 a.m.

**SHAREHOLDERS OF AGB ARE ADVISED TO READ THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF MANDATE AT THE FORTHCOMING AGM.**

## 2.0 BACKGROUND INFORMATION IN RESPECT OF THE PROPOSED RENEWAL OF MANDATE

Pursuant to Paragraph 10.09 of Chapter 10 of the Listing Requirements and Practice Note 12, a listed issuer may seek its shareholders' mandate for RRPTs provided that:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders;
- (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 (based on the type of transactions, names of Related Parties involved in each type of transaction made and their relationship with the listed issuers) where:
  - (i) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1.0 million; or
  - (ii) any one of the percentage ratios of such aggregated transactions is equal to or exceeds one per centum (1%),
 whichever is the higher;
- (c) the contents of the circular issued by the listed issuer to its shareholders for purposes of the shareholders' mandate shall include information as set out in the Listing Requirements and Practice Note 12;
- (d) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder and interested person 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 resolutions approving the transactions. An interested director or interested major shareholder must also ensure that persons connected with him will abstain from voting on the resolutions approving the transactions; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a recurrent related party transaction entered into by the listed issuer exceeds the estimated value of the recurrent related party transaction disclosed in the circular by ten per centum (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 Paragraph 10.09(2) of Chapter 10 of the Listing Requirements, the provision of Paragraph 10.08 of Chapter 10 of Listing Requirements will not apply.

### 2.1 Principal activities of AGB Group

The principal business activity of the Company is investment holding while the principal activities of the subsidiary companies of the Company are described as follows:

Name of companies	Equity Interest (%)	Principal Activities
ALCOM	100	Manufacturing and trading of aluminium sheet and foil products
ANSC	100	Manufacturing and trading of pre-coated aluminium finstocks for use in air-conditioners
SCLand Development Sdn Bhd	100	Investment holding
EM Hub Sdn Bhd	100	Property development
AGB Builders Sdn Bhd	100	Construction
Alcom Dach&Wand Sdn Bhd (formerly known as Highspace Sdn Bhd)	100	Supply and installation of roof & cladding systems, and steel structure construction

## 2.0 BACKGROUND INFORMATION IN RESPECT OF THE PROPOSED RENEWAL OF MANDATE (CONTINUED)

### 2.2 Principal activities of the related Transacting Parties

Can-One, where Yeoh Jin Hoe is a major shareholder and director, is principally an investment holding company.

The principal activities of Can-One's key subsidiary companies in relation to the RRPTs are as follows:

Name of companies	Can-One's Equity Interest (%)	Principal Activities
Aik Joo Can Factory Sdn Berhad	100	Can manufacturer
AJCan Sdn Bhd	100	Can manufacturer
Canzo Sdn Bhd	100	Can manufacturer
Hinoki Beverages Sdn Bhd	100	Provision of contract manufacturing
Grensing Pte Ltd	100	International trading
PT. Corum	100	Can manufacturer
Kian Joo Can Factory Berhad	100	Can manufacturer and investment holding
Federal Metal Printing Factory, Sdn Berhad	100	Can manufacturer
Kian Joo Canpack Sdn Bhd	100	Provision of contract manufacturing
Kian Joo Canpack (Shah Alam) Sdn Bhd	100	Provision of contract packing services
KJ Can (Johore) Sdn Bhd	100	Can manufacturer
KJ Can (Selangor) Sdn Bhd	100	Can manufacturer
KJM Aluminium Can Sdn Bhd	100	2-piece aluminium retortable can manufacturer
Metal-Pak (Malaysia) Sdn Bhd	100	Can manufacturer
KJ Can (Singapore) Pte Ltd	100	Trading
Kian Joo Can (Vietnam) Co., Ltd	100	Can manufacturer
Kianjoo Can (Myanmar) Company Limited	100	Can manufacturer

### 2.3 Nature of the RRPTs

The principal business activities of AGB's wholly-owned subsidiary, ALCOM consist of manufacturing and trading of aluminium sheet and aluminium foil products. The nature of the Recurrent Transactions to be entered into and contemplated between ALCOM and the related Transacting Parties are described below:

#### Sales of finished products

ALCOM sells some of its finished products in the form of aluminium sheets (i.e. common sheets and coils) and aluminium foil (i.e. foil, bare and coated finstock) products to the related Transacting Parties. Trading with the related Transacting Parties is necessary to ALCOM as the related Transacting Parties have their own customer base, from which there is demand for ALCOM's finished products.

**2.0 BACKGROUND INFORMATION IN RESPECT OF THE PROPOSED RENEWAL OF MANDATE (CONTINUED)**

**2.3 Nature of the RRPTs (continued)**

The selling prices for the Recurrent Transactions are consistent with ALCOM's usual business pricing practices and policies. In general, the selling prices to all parties including related Transacting Parties are based on the prices quoted on the London Metal Exchange plus roll margins. The roll margins used are recognised internationally and within the accepted range. The pricing is determined on arm's length basis and on normal commercial terms, which are not more favourable to the related Transacting Parties than those generally available to the public and are not to the detriment of the minority shareholders.

Sale transactions between ALCOM and the related Transacting Parties take place on a frequent basis, and are subject to demand and supply of the products based on prevailing market conditions.

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## 2.0 BACKGROUND INFORMATION IN RESPECT OF THE PROPOSED RENEWAL OF MANDATE (CONTINUED)

### 2.4 Class, Nature and Estimated Aggregate Value of the RRPTs

Details of RRPTs for which the Proposed Renewal of Mandate is being sought as well as the related Transacting Parties, the interested Related Parties and the nature of their relationships are as follows:

Provider of products/ services	Recipient of products/ services	Nature of transaction	Estimated Annual Value* (RM'000)	Estimated Value as disclosed in the Circular to Shareholders dated 26 April 2019 (RM'000)	Actual Value transacted 29 May 2019 up to LPD ** (RM'000)	Interested Related Parties	Notes
ALCOM	Can-One Group	Sale of aluminium sheets and aluminium foil products	8,000	8,000	1,580	Towerpack Sdn Bhd Yeoh Jin Hoe Marc Francis Yeoh Min Chang	(1) (2) (3)
		<b>TOTAL</b>	<b>8,000</b>	<b>8,000</b>	<b>1,580</b>		

Notes :-

- (1) Towerpack Sdn Bhd is a Major Shareholder of AGB holding 42,531,698 AGB Shares representing 31.66% of the total number of issued AGB Shares. Accordingly, it is a Major Shareholder of ALCOM, having an indirect equity interest over 134,330,848 ALCOM Shares representing 100% of the total number of issued ALCOM Shares held by AGB.
- (2) Yeoh Jin Hoe, the Executive Director of AGB, has an indirect equity interest in 42,531,698 AGB Shares representing 31.66% of the total number of issued AGB Shares held by Towerpack Sdn. Bhd. by virtue of Section 8(4) of the Act. He is also a Director of Can-One and a major shareholder of Can-One, holding 7,505,700 Can-One Shares representing 3.91% of the total number of issued Can-One Shares and has an indirect equity interest over 45,592,981 Can-One Shares representing 23.73% of the total number of issued Can-One Shares held by Eller Axis Sdn Bhd by virtue of Section 8(4) of the Act.
- (3) Marc Francis Yeoh Min Chang is the son of Yeoh Jin Hoe and is his Alternate Director. Marc Francis Yeoh Min Chang is the Group Managing Director of Can-One and he holds 343,100 Can-One Shares representing 0.18% of the total number of issued Can-One Shares.

\* The values are merely estimates and refer to values of transactions to be entered into from 23 June 2020 to the following AGM in 2021. The estimates may vary and are subject to changes.

\*\* The actual value transacted from 29 May 2019 up to the LPD did not exceed by ten per centum (10%) or more of the Estimated Value as disclosed in the Circular to Shareholders dated 26 April 2019.

There were no outstanding amounts due from Can-One Group under the RRPTs which exceeded the credit term as at 31 December 2019.

## 2.0 BACKGROUND INFORMATION IN RESPECT OF THE PROPOSED RENEWAL OF MANDATE (CONTINUED)

### 2.5 Bases of estimated value of the RRPTs

The bases in determining the estimate value of the RRPTs are as follows:

- (1) The estimated values of the RRPTs for which the Proposed Renewal of Mandate is sought as set out in Section 2.4 above are based on prevailing rates/prices obtained which are reasonable market competitive prices based on the normal level of transactions entered into by ALCOM and the projected business volumes from the date of the forthcoming AGM to the next AGM of the Company. The actual value of transactions may, however, vary from the estimated value disclosed in Section 2.4 above if any changes in the business, economic and/or competitive environment were to occur.
- (2) Nevertheless, if the Proposed Renewal of Mandate is approved, disclosure will be made in accordance with the Listing Requirements in the Annual Report of the Company for the financial year ending 31 December 2020 of the aggregate value of transactions conducted pursuant to the Proposed Renewal of Mandate as approved during the financial year.

### 2.6 Review methods or procedures for the RRPTs

The Group had established various methods and procedures to supplement existing internal procedures with third parties to ensure that RRPTs are undertaken on normal commercial terms, which are consistent with the Group's usual business practices, and are on terms not more favourable than those extended to third parties/public and are not detrimental to the minority shareholders.

- (a) The internal and external auditors review the terms of the RRPTs;
- (b) Records, agreements, contracts and other relevant documents on all RRPTs which are entered into will be made available to the ARMC;
- (c) The sale prices are determined after taking into consideration the prevailing market prices;
- (d) Wherever applicable and/or feasible, at least two (2) other contemporaneous transactions with unrelated third parties for similar products and/or quantities will be used as comparison to determine whether price and terms offered to the related Transacting Parties are fair and reasonable and comparable to those offered to other unrelated third party for the same or substantially similar type of products and/or quantities.

In the event that quotations or comparative pricing from unrelated third party cannot be obtained for the proposed transaction, the Board and the ARMC will rely on their market knowledge for prevailing industry norms bearing in mind the urgency and efficiency required to ensure that the RRPTs are not detrimental to the Company.

- (e) There is no specific threshold for approval of RRPTs. All RRPTs are reviewed and/or executed by senior management in the Company, provided always that such individuals have no interest in the transaction and the said transaction has been approved pursuant to the shareholders' mandate obtained at an AGM for RRPTs.
- (f) The ARMC will review the RRPTs that may arise within the Company or the Group on a quarterly basis to ensure that such transactions will be carried out at arm's length, and on normal commercial terms, and terms not more favourable than those generally available to the public and are not to the detriment of the minority shareholders. The ARMC shall assist to ascertain that all procedures established to monitor the RRPTs have been complied with. Presently, the ARMC of AGB comprises three (3) members, all of whom are independent directors as set out below:

<u>Name of ARMC members</u>	<u>Designation</u>
Lam Voon Kean	Chairperson/Independent Non-Executive Director
Dato' Seri Subahan bin Kamal	Independent Non-Executive Director
Wong Choon Shein	Independent Non-Executive Director

## **2.0 BACKGROUND INFORMATION IN RESPECT OF THE PROPOSED RENEWAL OF MANDATE (CONTINUED)**

### **2.7 Validity period of the Proposed Renewal of Mandate**

The Proposed Renewal of Mandate, if approved at the forthcoming Second AGM of the Company, will take effect from the date of passing of the ordinary resolution at the Second AGM of the Company to approve the Proposed Renewal of Mandate and will continue to be in force until:

- (i) the conclusion of the next AGM of the Company at which time the Proposed Renewal of Mandate will lapse, unless renewed by resolution passed at such meeting; or
- (ii) the expiration of the period within which the next AGM of the Company 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
- (iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

Thereafter, the Board will seek your approval for the Proposed Renewal of Mandate at each subsequent AGM or at an Extraordinary General Meeting that may be held on the same day as the AGM, subject to satisfactory review by the ARMC of its continued application to the RRPTs.

Transactions with any Related Parties which do not fall within the ambit of the Proposed Renewal of Mandate, will be subject to other applicable provisions of the Listing Requirements, the Act and/or any applicable law.

### **2.8 Disclosure of RRPTs**

If the Proposed Renewal of Mandate is approved, disclosure will be made of the breakdown of the aggregate value of RRPTs conducted pursuant to the Proposed Renewal of Mandate during the financial year based on the following information in the Company's Annual Report 2019 and in the Annual Reports for subsequent financial years that the Proposed Renewal of Mandate continues to be in force:

- (i) the type of RRPTs made; and
- (ii) the names of the Related Parties involved and their relationships with the Group.

The threshold for the disclosure is where:

- (i) the consideration, value of the assets, capital outlay or costs of the aggregated RRPTs is equal to or exceeds RM1,000,000; or
- (ii) any one (1) of the percentage ratios of such aggregated RRPTs is equal to or exceeds one per centum (1%),

whichever is the higher.

### **2.9 Statement by the ARMC**

The ARMC has reviewed the terms of the Proposed Renewal of Mandate and is satisfied that the procedures for the RRPTs as set out in Section 2.6, as well as the annual reviews to be made by the ARMC in relation thereto, are sufficient to ensure that RRPTs will be made in accordance with the Group's normal commercial terms and are not more favourable to the Transacting Parties than those generally available to third party/public and are not to the detriment of the minority shareholders.

The Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and these procedures and processes are reviewed annually.



## 2.0 BACKGROUND INFORMATION IN RESPECT OF THE PROPOSED RENEWAL OF MANDATE (CONTINUED)

### 2.9 Statement by the ARMC (continued)

The ARMC shall annually review the RRPTs and also review the established guidelines and procedures to ascertain that they have been complied. If during the review, the ARMC is of the opinion that the guidelines and procedures are not sufficient to ensure that the RRPTs will be conducted on normal commercial terms in the ordinary course of business and are on terms not more favourable to the related Transacting Parties than those generally available to third party/public and are not detrimental to the minority shareholders or be disadvantageous to the Company, the Company will obtain a fresh shareholders' mandate based on new guidelines and procedures.

## 3.0 RATIONALE FOR THE PROPOSED RENEWAL OF MANDATE AND BENEFITS TO THE GROUP

The related Transacting Parties listed in Section 2.2 above are also involved in complementary business of the Group. It is therefore in the interest of the Group to transact with the related Transacting Parties. Given the complementary nature of the activities of the Group and that of the related Transacting Parties as well as the fact that such activities are in the ordinary course of business of both the Group and the related Transacting Parties, it is anticipated that the Recurrent Transactions between the Group and the related Transacting Parties would occur on a frequent basis and recurrent basis.

The Proposed Renewal of Mandate is intended to facilitate transactions in the ordinary course of business of the Group with the related Transacting Parties which are necessary for the day-to-day operations of the Group, provided that they are undertaken on arm's length basis and on normal commercial terms which are consistent with the Group's usual business practices and policies and on terms not more favourable to the related Transacting Parties than those generally made available to third party/public and are in the Company's opinion, not detrimental to the minority shareholders.

The Proposed Renewal of Mandate, if approved by the shareholders, would eliminate the need to make announcements to Bursa Securities or to convene general meeting from time to time to seek shareholders' approval as and when potential Recurrent Transactions with the related Transacting Parties arise. This will substantially reduce the expenses associated with convening of general meetings on an ad hoc basis, improve administrative efficiency considerably and allow resources to be channelled towards attaining other corporate objectives.

## 4.0 EFFECTS OF THE PROPOSED RENEWAL OF MANDATE

The Proposed Renewal of Mandate is not expected to have any effect on the total number of issued Shares and substantial shareholders' shareholdings of the Company, the consolidated NA per Share and the consolidated earnings of the Group for the financial year ending 31 December 2020.

## 5.0 APPROVAL REQUIRED

The Proposed Renewal of Mandate is subject to approval being obtained from the shareholders of the Company at the forthcoming Second AGM of the Company.

## 6.0 INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

The interest of the Directors of the Company who does not consider themselves independent with regard to the Proposed Renewal of Mandate ("Interested Directors") and the Major Shareholders of the Company that are deemed interested in the Proposed Renewal of Mandate ("Interested Major Shareholders") in the Company as at LPD are as follows:

	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
<b><u>Interested Major Shareholder</u></b>				
Towerpack Sdn. Bhd.	42,531,698	31.66	-	-
<b><u>Interested Directors</u></b>				
Yeoh Jin Hoe	-	-	42,531,698 <sup>(a)</sup>	31.66
Marc Francis Yeoh Min Chang	-	-	-	-

Notes:

<sup>(a)</sup> Deemed interest by virtue of his shareholding in Towerpack Sdn. Bhd. pursuant to Section 8(4) of the Act.



## **6.0 INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM (CONTINUED)**

Accordingly, the abovenamed Major Shareholder of the Group who is interested (directly or indirectly) in the Proposed Renewal of Mandate shall abstain from voting in respect of its direct and indirect shareholdings in the Company, if any, at the forthcoming Second AGM of the Company on the resolution to approve the Proposed Renewal of Mandate involving its interests, as stated in the Proposed Renewal of Mandate.

The abovenamed Directors (namely, Yeoh Jin Hoe and Marc Francis Yeoh Min Chang), being Directors who are interested in the Proposed Renewal of Mandate have abstained and will continue to abstain from all deliberations and voting on the RRPTs involving them as stated in the Proposed Renewal of Mandate at the relevant Board Meetings and/or shall also abstain from voting in respect of their direct and indirect shareholdings in the Company, if any, at the forthcoming Second AGM of the Company on the resolution to approve the Proposed Renewal of Mandate involving their interests, as stated in the Proposed Renewal of Mandate.

Further, the abovenamed interested Directors and interested Major Shareholder have undertaken to ensure that the Persons Connected with them, will abstain from voting in respect of their direct and/or indirect shareholdings in AGB, if any, at the forthcoming Second AGM of the Company on the resolution to approve the Proposed Renewal of Mandate involving their interests.

Save as disclosed above, none of the Directors and/or Major Shareholders of the Group and Persons Connected with them who have any interest, direct or indirect, in the Proposed Renewal of Mandate.

## **7.0 BOARD'S RECOMMENDATION**

The Board (save for the interested Directors in respect of the relevant resolution to approve RRPTs involving their interests as set out in Section 6.0 above and who hence expressed no opinion thereon), having considered all aspects of the Proposed Renewal of Mandate, is of the opinion that the Proposed Renewal of Mandate is fair and reasonable and is in the best interest of the Company and its shareholders.

Accordingly, the Board (save for the interested Directors in respect of the relevant resolution to approve RRPTs involving their interest as set out in Section 6.0 above) recommends that you vote in favour of the ordinary resolution on the Proposed Renewal of Mandate to be tabled at the forthcoming Second AGM of the Company.

## **8.0 SECOND AGM OF THE COMPANY**

The Second AGM of the Company, the Notice of which is set out in the Annual Report 2019, will be conducted fully virtual and live-streamed from the broadcast venue at the Board Room, R-05-17 (Level 5), Wisma SCLand, Emporis Kota Damansara, Persiaran Surian, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 23 June 2020 at 10.00 a.m for purpose of considering and, if thought fit, passing the ordinary resolution as set out in the Notice of the AGM to approve and give effect to the Proposed Renewal of Mandate.

If you are unable to attend, speak and vote remotely at the Second AGM of the Company, you are requested to complete and return the Proxy Form in accordance with the instructions thereon as soon as possible and in any event so as to arrive at the office of the Company's Share Registrar, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia. Alternatively, the Proxy Form may be deposited via TIIH Online at <https://tiih.online>. Please refer to the Administrative Details for the Second AGM for further information on electronic submission. All Proxy Forms must be deposited with/received by Tricor not less than forty-eight (48) hours before the time appointed for holding the Second AGM of the Company or any adjournment thereof.

## **9.0 FURTHER INFORMATION**

Shareholders are requested to refer to Appendix A for further information.

Yours faithfully,  
for and on behalf of the Board of  
**ALCOM GROUP BERHAD**

**HEON CHEE SHYONG**  
President cum Chief Executive Officer

**FURTHER INFORMATION**

**1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board who collectively and individually accepts full responsibility for the accuracy of the information given and confirmed that, after making all reasonable enquiries as to the best of its knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

**2. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

As at LPD, neither AGB nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Directors of AGB do not have any knowledge nor are they aware of any proceedings pending or threatened against AGB and/or its subsidiaries or of any facts likely to give rise to any proceedings which may materially or adversely affect the financial position or business of AGB Group.

**3. MATERIAL CONTRACTS**

Save as disclosed below, neither AGB nor its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business of AGB Group) within two (2) years preceding the LPD:

- (i) A First Share Sale Agreement dated 20 August 2019 entered into between AGB's wholly-owned subsidiary, ALCOM with Dach&Wand Sdn Bhd in relation to the acquisition of Alcom Dach&Wand Sdn Bhd (formerly known as Highspace Sdn Bhd).

**4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours from Mondays to Fridays (except on public holidays) at the registered office of AGB from the date of this Circular up to and including the date of the forthcoming Second AGM of the Company:

- (i) Constitution of the Company;
- (ii) Audited consolidated financial statements of the Group and of the Company for the financial year/period ended 31 December 2018 and financial year ended 31 December 2019; and
- (iii) Material contracts referred to in Section 3 of this Appendix A.