

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

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

Bursa Malaysia Securities Berhad (“Bursa Securities”) has conducted a limited review on Part A of this Circular/Statement pursuant to the provisions of Guidance Note 22 of the ACE Market Listing Requirements of Bursa Securities and has not perused the Share Buy-Back Statement prior its issuance as they prescribe as an exempt document.

Bursa Securities takes no responsibility for the contents of this Circular/Statement, 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 Circular.



HEXTAR INDUSTRIES BERHAD
[Registration No. 201101044580 (972700-P)]
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

PART A

**PROPOSED NEW AND RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

PART B

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The resolutions in respect of the above proposals will be tabled as Special Business at the Twelfth Annual General Meeting (“12th AGM”) of Hextar Industries Berhad (“HIB” or “the Company”) which will be conducted on a virtual basis through online meeting platform via TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia, on Tuesday, 21 May 2024 at 10:00 a.m. or any adjournment thereof.

The Notice of the 12th AGM and the Form of Proxy are set out in the Annual Report of HIB for the financial year ended 31 December 2023 despatched together with this Circular.

The Form of Proxy should be completed and returned in accordance with the instructions therein as soon as possible and should be deposited to the Share Registrar office of the Company, Tricor Investor & Issuing House Services Sdn Bhd, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time stipulated for holding the meeting. The completion and return 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 day and time for lodging the Form of Proxy : Sunday, 19 May 2024 at 10:00 a.m.

Date and time of 12th AGM : Tuesday, 21 May 2024 at 10:00 a.m.

This Circular is dated 29 April 2024

DEFINITIONS

For the purposes of this Circular, except where the context otherwise requires, the following definitions shall apply:

“Act”	: The Companies Act 2016 as amended from time to time, and includes every statutory modification or any re-enactment thereof for the time being in force
“AGM”	: Annual General Meeting
“Annual Report 2023”	: Annual Report of HIB issued for the financial year ended 31 December 2023
“Audit Committee”	: The Audit Committee of HIB
“Board”	: The Board of Directors of HIB
“Bursa Securities”	: Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
“CDS”	: Central Depository System
“Circular”	: This circular to shareholders of HIB dated 29 April 2024
“Director”	: The directors of HIB and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and 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 HIB or any other company which is a subsidiary of HIB or a holding company of HIB
“EPS”	: Earnings per Share
“HHSB”	: Hextar Holdings Sdn. Bhd. [Registration No. 200601002945 (Company No. 722692-V)]
“HIB” or “the Company”	: Hextar Industries Berhad
“HIB Group” or “the Group”	: HIB and its subsidiaries
“HIB Share(s)” or “Share(s)”	: Ordinary Shares in HIB

DEFINITIONS (CONT'D)

“Listing Requirements” : ACE Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time

“LPD” : 31 March 2024, being the latest practicable date prior to the printing of this Circular and the cut-off date for the information disclosed in this Circular unless otherwise indicated

“Major Shareholder(s)” : A person who has an interest or interests in one or more voting shares in a company and the number or the aggregate number of those shares is:

- (a) 10% or more of the total number of voting shares in the Company; or
- (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.

For the purpose of this definition, “interest in shares” has the meaning given in Section 8 of the Act and for the purpose of this Circular, 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 major shareholder of HIB or its subsidiaries or holding company.

“NA” : Net assets attributable to ordinary equity holders of HIB

“Person Connected” : In relation to a Director or a Major Shareholder, means such person who falls under any one of the following categories:

- (a) a family member of the Director or Major Shareholder;
- (b) a trustee of a trust (other than a trustee for an employee shares scheme or pension scheme) under which the Director, Major Shareholder or a family member of the Director or Major Shareholder is the sole beneficiary;
- (c) a partner of the Director, Major Shareholder or a partner of a person connected with that Director or Major Shareholder;
- (d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
- (e) a person in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
- (f) a body corporate or its Directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
- (g) a body corporate or its Directors whose directions, instructions or wishes the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act;
- (h) a body corporate in which the Director, Major Shareholder and/or persons connected with him are entitled to exercise, or

DEFINITIONS (CONT'D)

	control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
	(i) a body corporate which is a related corporation.
“Proposed Shareholders’ Mandate”	: Proposed New and Renewal of Shareholders’ Mandate for HIB Group to enter into RRPT(s) of a revenue or trading nature
“Proposed Renewal of Share Buy-Back Authority”	: Proposed renewal of authority for the Company to purchase its own shares for up to ten percent (10%) of its total number of issued shares
“Purchased Shares”	: HIB Shares to be purchased by the Company pursuant to the Proposed Share-Buy Back
“Related Party(ies)”	: Director(s), major shareholder(s) or person(s) connected with such director(s) or major shareholder(s) of HIB
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“RRPT(s)”	: A transaction entered into by the Company or its subsidiaries which involves the interest, direct or indirect, of a Related Party, which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of the Company or its subsidiaries
“Shareholders”	: Shareholders of HIB
“SC”	: Securities Commission
“Substantial Shareholder(s)”	: A person who has interest or interests in one or more voting Shares in the Company and the number of that Share, or aggregate of the number of those shares, is not less than 5% of the aggregate of the number of all the voting Shares in 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 a corporation, unless otherwise specified.

Any reference in this 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 a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO

**PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED
PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**



HEXTAR INDUSTRIES BERHAD
[Registration No. 201101044580 (972700-P)]
(Incorporated in Malaysia)

Registered Office

B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No. 1, Medan Syed Putra Utara,
59200 Kuala Lumpur

29 April 2024

Board of Directors:

Dato' Chan Choun Sien	(Independent Non-Executive Chairman)
Ang Sui Aik	(Group Managing Director)
Sham Weng Kong	(Executive Director)
Ong Tzu Chuen	(Non-Independent Non-Executive Director)
Oon Seow Ling	(Independent Non-Executive Director)
Dato Sri Chee Hong Leong	(Independent Non-Executive Director)
Shahjanaz Binti Datuk Kamaruddin	(Independent Non-Executive Director)

To: The Shareholders of Hextar Industries Berhad

Dear Sir/Madam,

PROPOSED SHAREHOLDERS' MANDATE

1. INTRODUCTION

On 25 May 2023, the Company obtained a general mandate from its shareholders for the Company and its subsidiaries to enter into RRPTs in the ordinary course of business of a revenue or trading nature which are necessary for the day-to-day operations based on commercial terms which are not more favourable to the Related Parties than those generally available to the public.

The said general mandate for RRPTs shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming Twelfth (12th) AGM unless authority for its renewal is obtained from the shareholders of the Company.

On 4 April 2024, the Board of Directors of the Company announced that HIB proposes to seek renewal of the existing shareholders' mandate for the RRPTs of a revenue or trading nature.

The purpose of Part A of this Circular is to provide you with the relevant details of the Proposed Shareholders' Mandate and to seek your approval for the ordinary resolution therein to be tabled at the forthcoming Twelfth (12th) AGM, which will be conducted on a virtual basis through online meeting platform via TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia, on Tuesday, 21 May 2024 at 10:00 a.m. or any adjournment thereof.

SHAREHOLDERS OF HIB ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE AT THE FORTHCOMING 12TH AGM.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

Pursuant to Rule 10.09(2) and Guidance Note 8 of the Listing Requirements, a listed issuer may seek a mandate from its shareholders in respect of RRPT(s) 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 the transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed in Rule 10.09(1) of the Listing Requirements;
- (c) the listed issuers' Circular for the shareholder mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the interested directors, interested major shareholders or 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 directors or major shareholder, must not vote on the resolution to approve the RRPT(s). An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the RRPT(s); and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT(s) entered into by the listed issuer, exceeds the estimated value of the RRPT(s) disclosed in the Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

2.1 Principal Activities of HIB Group

The principal activity of HIB is investment holding while the principal activities of its subsidiary companies as at the LPD are set out in the table below:

Name of company	Effective equity interest (%)	Principal Activities
SCH Corporation Sdn. Bhd.	100	Investment holding.

Name of company	Effective equity interest (%)	Principal Activities
SCH Wire-Mesh Manufacturing Sdn. Bhd.	100	Manufacturing, distributing and supplying of quarry grill.
SCH Machinery & Equipment Sdn. Bhd.	100	Supplying and distributing quarry machinery, quarry equipment and reconditioned quarry machinery as well as spare parts for quarry machinery, quarry equipment and reconditioned quarry machinery to the quarry industry.
TK Rentals Sdn. Bhd.	100	Business of renting and trading of mobile air conditioner, tent and event related equipment and tools, forklift and industrial battery.
PK Fertilizers (Sarawak) Sdn. Bhd.	100	Business of manufacturing, merchandising, trading, distribution and wholesale warehouseman of fertilizers.
PK Fert Sdn. Bhd.	100	Business of marketing and distribution of fertilizers
HIB Management Sdn. Bhd.	100	Provision of management services
Hextar Fertilizers Group Sdn. Bhd.	100	Investment holding
Pacific Office (M) Sdn. Bhd.	100	Distribution, retails and online sales of office equipment and supplies, personal protective equipment and supplies, stationery books, magazines and newspapers, rental and operational leasing of office equipment
Hextar Mitai Sdn. Bhd.	70	Civil engineering contractor and other construction installation
Sin Chee Heng Sdn. Bhd.	100	Supplying and distributing all kinds of quarry industrial products and quarry machinery.
Sin Chee Heng (Johore) Sdn. Bhd.	50	Distributing all kinds of quarry products to the quarry industry.
Indirect interest held through SCH Corporation Sdn. Bhd.		
Sin Chee Heng (Butterworth) Sdn. Bhd.	100	In the process of a voluntary winding up.
Indirect interest held through Sin Chee Heng Sdn. Bhd.		
Sin Chee Heng (Johore) Sdn. Bhd.	50	Distributing all kinds of quarry products to the quarry industry.

Name of company	Effective equity interest (%)	Principal Activities
Sin Chee Heng (Sabah) Sdn. Bhd.	100	In the process of a voluntary winding up.
Sin Chee Heng (Sarawak) Sdn. Bhd.	100	In the process of a voluntary winding up.
Indirect interest held through Hextar Fertilizers Group Sdn. Bhd.		
Hextar Fert Sdn. Bhd.	100	Manufacturing, formulation, distribution and trading of a wide range of fertilisers.
Hextar Solutions Sdn. Bhd.	100	Manufacturing, formulation, distribution and trading of a wide range of fertilisers.
PK Fertilizers Sdn. Bhd.	100	Manufacturing, formulation, distribution and trading of a wide range of fertilisers.

It is anticipated that HIB Group would, in the normal course of business, continue to enter into transactions with the Related Parties, which are necessary for its day-to-day operations. The details of the transactions are set out in Section 2.3 below. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

The Board proposes to seek the shareholders' approval for the Proposed Shareholders' Mandate for the HIB Group to enter into transactions in the normal course of business within the classes of Related Parties set out in Section 2.3 below, provided such transactions are entered into at arm's length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders. Such mandate will enable the Group to enter into the RRPT(s) without the necessity, in most instances, to make the otherwise announcement or to convene meetings in order to procure specific prior approval of its shareholders. The RRPT(s) will also be subject to the review procedures set out in Section 2.4 below.

2.2 Validity Period of the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate, if approved by the shareholders of HIB at the 12th AGM, is subject to annual review and will continue to be in force until:

- (a) the conclusion of the next AGM following the 12th AGM of HIB at which the Proposed Shareholders' Mandate is passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM;
- (b) the expiration of the period within which the next AGM of the Company after the date 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 earlier.

Thereafter, approval from shareholders will be sought for the renewal of the Proposed Shareholders' Mandate.

2.3 Classes of Related Parties and Nature of RRPT(s)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(a) Existing RRPT

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to shareholders dated 26 April 2023 (RM)	Actual Value transacted (from the date of the last AGM on 25 May 2023 up to the LPD) (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Interested Director/ Interested Major Shareholder/ Persons connected to them	Nature of relationship
Rubberex Alliance Sdn. Bhd. - Buyer	TK Rentals Sdn. Bhd. - Seller	Sales or rental of parts / equipment / industrial products / services (e.g., tent, furniture, lighting, generator set, forklift, battery, etc) including the associated cost such as transportation cost, installation cost and etc.	2,000,000	9,530	2,000,000	Dato' Ong Choo Meng Dato' Ong Soon Ho Ong Tzu Chuen	<ul style="list-style-type: none"> Dato' Ong Choo Meng is a major shareholder of Hextar Healthcare Berhad via his indirect shareholding of Hextar Rubber Sdn. Bhd.. Rubberex Alliance Sdn. Bhd. ("RASB") is a manufacturer of disposable gloves and is a subsidiary of Hextar Healthcare Berhad. HHSB is a major shareholder of HIB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(a) Existing RRPT (cont'd)

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to shareholders dated 26 April 2023 (RM)	Actual Value transacted (from the date of the last AGM on 25 May 2023 up to the LPD) (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Interested Director/ Interested Major Shareholder/ Persons connected to them	Nature of relationship
Hextar Asset Management Sdn. Bhd. – Seller	HIB Group – Buyer	Provision of corporate services including business consultancy, IT support, corporate branding, workspace, training, etc	2,000,000	1,524,029	2,000,000	Dato' Ong Choo Meng Ong Tzu Chuen HHSB Dato' Ong Soon Ho	<ul style="list-style-type: none"> Hextar Asset Management Sdn. Bhd. mainly involved in providing management services and information technology consulting services. It is a subsidiary of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are Directors and Shareholders of Hextar Asset Management Sdn. Bhd. Dato' Ong Choo Meng and Dato' Ong Soon Ho are Directors and Shareholders of HHSB. HHSB is a major shareholder of HIB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(a) Existing RRPT (cont'd)

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to shareholders dated 26 April 2023 (RM)	Actual Value transacted (from the date of the last AGM on 25 May 2023 up to the LPD) (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Interested Director/ Shareholder/ Persons connected to them	Nature of relationship
Hextar Premier Sdn. Bhd. – Landlord	TK Rentals Sdn. Bhd. – Tenant	Renting of office space with latest term from 1 Oct 2023 to 30 September 2024 (bearing postal address as No. 22, Jalan Industri Taming Mas, Pusat Industri Taming Mas, 43300 Seri Kembangan, Selangor, with built-up area of 4141 square metre, rental is payable on monthly basis and renewable for 1 year with renewal notice period of 2 months prior to the expiry of the tenancy)	1,000,000	564,000	1,000,000	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	<ul style="list-style-type: none"> Hextar Premier Sdn. Bhd. is a property investment holding company. Dato' Ong Choo Meng and Ong Tze Chuen are Directors and Shareholders of Hextar Premier Sdn. Bhd.. Ong Tze Chuen is Shareholder of Hextar Premier Sdn. Bhd. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(a) Existing RRPT (cont'd)

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to shareholders dated 26 April 2023 (RM)	Actual Value transacted (from the date of the last AGM on 25 May 2023 up to the LPD) (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Interested Director/ Shareholder/ Persons connected to them	Nature of relationship
Teju Logistics Sdn. Bhd. – Seller	TK Rentals Sdn. Bhd. – Buyer	Renting of lorries for transportation of equipment for rental (e.g., tent, furniture, lighting, generator set, etc) to event industry customers, construction sites and etc.	500,000	240,705	500,000	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	<ul style="list-style-type: none"> Teju Logistics Sdn. Bhd. involved in trading of chemicals and engineering parts, providing services for the oil and gas industry and providing a one stop solution for complete and integrated logistics services, supply chain management services and rent collection from investment properties. Dato' Ong Choo Meng and Dato' Ong Soon Ho are Directors and major shareholders of Teju Logistics Sdn. Bhd.. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(a) Existing RRPT (cont'd)

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to shareholders dated 26 April 2023 (RM)	Actual Value transacted (from the date of the last AGM on 25 May 2023 up to the LPD) (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Interested Director/ Interested Major Shareholder/ Persons connected to them	Nature of relationship
TK Equipment Sdn. Bhd. – Seller	TK Rentals Sdn. Bhd. – Buyer	Purchase of forklift	3,500,000	85,000	3,500,000	Dato' Ong Choo Meng Ong Tzu Chuen HHSB Dato' Ong Soon Ho	<ul style="list-style-type: none"> TK Equipment Sdn. Bhd. involved in trading of forklifts. It is a subsidiary of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are Directors and Shareholders of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(a) Existing RRPT (cont'd)

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to shareholders dated 26 April 2023 (RM)	Actual Value transacted (from the date of the last AGM on 25 May 2023 up to the LPD) (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Interested Director/ Interested Major Shareholder/ Persons connected to them	Nature of relationship
Hextar Chemicals Sdn. Bhd. - Buyer	HIB Group - Seller	Sales of raw materials (straight fertilisers such as muriate of potash, granular urea, ammonium chloride, ammonium sulphate, borate, mono ammonium phosphate, granular diammonium phosphate, and etc) including the charge of delivery and associated cost such as transportation cost, handling charges and etc.	500,000	245,039	2,000,000	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	<ul style="list-style-type: none"> Hextar Chemicals Sdn. Bhd. is a manufacturer and distributor of agrichemicals. It is a subsidiary of Hextar Global Berhad. Hextar Global Berhad is a subsidiary of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are Directors and Shareholders of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(a) Existing RRPT (cont'd)

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to shareholders dated 26 April 2023 (RM)	Actual Value transacted (from the date of the last AGM on 25 May 2023 up to the LPD) (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Interested Director/ Interested Major Shareholder/ Persons connected to them	Nature of relationship
Hextar Chemicals Sdn. Bhd. - Seller	HIB Group - Buyer	Purchase of raw materials, work in progress and finished goods (emulsifiers, herbicides and insecticides such as surfactant, glyphosate ipa, sodium chlorate, chlorpyrifos, malathion, permethrin, temephos and etc.) including the charge of delivery and associated cost such as transportation cost, handling charges, etc.	500,000	499,634	5,000,000	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	<ul style="list-style-type: none"> Hextar Chemicals Sdn. Bhd. is a manufacturer and distributor of agrichemicals. It is a subsidiary of Hextar Global Berhad. Hextar Global Berhad is a subsidiary of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are Directors and Shareholders of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(a) Existing RRPT (cont'd)

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to shareholders dated 26 April 2023 (RM)	Actual Value transacted (from the date of the last AGM on 25 May 2023 up to the LPD) (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Interested Director/ Interested Major Shareholder/ Persons connected to them	Nature of relationship
Halex (M) Sdn. Bhd. - Buyer	HIB Group - Seller	Sales of raw materials (straight fertilisers such as muriate of potash, granular urea, ammonium chloride, ammonium sulphate, borate, mono ammonium phosphate, granular diammonium phosphate, and etc) including the charge of delivery and associated cost such as transportation cost, handling charges and etc.	500,000	39,190	1,000,000	<ul style="list-style-type: none"> Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB 	<ul style="list-style-type: none"> Halex (M) Sdn. Bhd. is a manufacturer and distributor of agrochemicals and is a subsidiary of Hextar Global Berhad. Hextar Global Berhad is a subsidiary of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are Directors and Shareholders of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(a) Existing RRPT (cont'd)

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to shareholders dated 26 April 2023 (RM)	Actual Value transacted (from the date of the last AGM on 25 May 2023 up to the LPD) (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Interested Director/ Interested Major Shareholder/ Persons connected to them	Nature of relationship
Hexstar Industrial Chemicals Sdn. Bhd. - Buyer	HIB Group - Seller	Sales of raw materials (straight fertilisers such as muriate of potash, granular urea, ammonium chloride, ammonium sulphate, borate, mono ammonium phosphate, granular diammonium phosphate, and etc) including the charge of delivery and associated cost such as transportation cost, handling charges and etc.	300,000	NIL	500,000	<p>Dato' Ong Choo Meng</p> <p>Ong Tzu Chuen</p> <p>Dato' Ong Soon Ho</p> <p>HHSB</p>	<ul style="list-style-type: none"> Hexstar Industrial Chemicals Sdn. Bhd. involved in trading and distributing of industrial chemical products and is a subsidiary of Hexstar Global Berhad. Hexstar Global Berhad is a subsidiary of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are Directors and Shareholders of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(a) Existing RRPT (cont'd)

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to shareholders dated 26 April 2023 (RM)	Actual Value transacted (from the date of the last AGM on 25 May 2023 up to the LPD) (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Interested Director/ Interested Major Shareholder/ Persons connected to them	Nature of relationship
Hextar Oil and Gas Sdn. Bhd. – Buyer	HIB Group – Seller	Sales of raw materials (straight fertilisers such as muriate of potash, granular urea, ammonium chloride, ammonium sulphate, borate, mono ammonium phosphate, granular diammonium phosphate, and etc) including the charge of delivery and associated cost such as transportation cost, handling charges and etc.	500,000	110,571	500,000	<ul style="list-style-type: none"> Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB 	<ul style="list-style-type: none"> Hextar Oil and Gas Sdn. Bhd. involved in trading of industry parts for the oil and gas industry. It is a wholly-owned subsidiary of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are Directors and Shareholders of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(a) Existing RRPT (cont'd)

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to shareholders dated 26 April 2023 (RM)	Actual Value transacted (from the date of the last AGM on 25 May 2023 up to the LPD) (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Interested Director/ Interested Major Shareholder/ Persons connected to them	Nature of relationship
Hexstar KCS Sdn. Bhd. – Buyer	HIB Group Seller	– Sales of raw materials (straight fertilisers such as muriate of potash, granular urea, ammonium chloride, ammonium sulphate, borate, mono ammonium phosphate, granular diammonium phosphate, and etc) including the charge of delivery and associated cost such as transportation cost, handling charges and etc.	300,000	338	500,000	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	<ul style="list-style-type: none"> Hexstar KCS Sdn. Bhd. involved in manufacturing of chemical products, investment holding and providing other business support activities. It is a wholly-owned subsidiary of Hexstar Chemtech Sdn. Bhd., Hexstar Chemtech is subsidiary of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are Directors and Shareholders of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(a) Existing RRPT (cont'd)

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to shareholders dated 26 April 2023 (RM)	Actual Value transacted (from the date of the last AGM on 25 May 2023 up to the LPD) (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Interested Director/ Interested Major Shareholder/ Persons connected to them	Nature of relationship
Teju Logistics Sdn. Bhd. - Landlord	Hextar Solutions Sdn. Bhd. - Tenant	Renting of production factory for the manufacturing, formulation, distribution of compact fertiliser, mixture fertiliser and straight fertiliser and warehouse for the storage of raw materials and finished goods with latest tenure from 1 August 2023 to 31 July 2024 (bearing postal address as Lot 3122, Kidurong Industrial Area, Jalan Kidurong, Bintulu, Sarawak), with monthly rental amounting to RM189,000, with built-up area of 78,780 square metre, rental is payable on monthly basis and renewable with renewal notice period of 1 month prior to the expiry of the tenancy)	2,500,000	2,079,000	2,500,000	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho	<ul style="list-style-type: none"> Teju Logistics Sdn. Bhd. involved in trading of chemicals and engineering parts, providing services for the oil and gas industry and providing a one stop solution for complete and integrated logistics services, supply chain management services and rent collection from investment properties. Dato' Ong Choo Meng and Dato' Ong Soon Ho are Directors and major shareholders of Teju Logistics Sdn. Bhd.. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(a) Existing RRPT (cont'd)

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to shareholders dated 26 April 2023 (RM)	Actual Value transacted (from the date of the last AGM on 25 May 2023 up to the LPD) (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Interested Director/ Interested Major Shareholder/ Persons connected to them	Nature of relationship
Amalan Prestasi Sdn. Bhd. – Landlord	Hexstar Fert Sdn. Bhd. – Tenant	Renting of office, production factory for the manufacturing, formulation, distribution of compaction fertiliser, mixture fertiliser and straight fertiliser and warehouse for the storage of raw materials and finished goods with latest tenure from 1 Jan 2024 to 31 December 2026 (bearing postal address as PT11773, Jalan Ikan Mata Duyong, Kampung Telok Gong, 42000 Port Klang, Selangor), with monthly rental amounting to RM65,800 monthly), with built-up area 11,189 square metre, rental is payable on monthly basis).	2,000,000	1,261,300	2,000,000	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	<ul style="list-style-type: none"> Amalan Prestasi Sdn. Bhd. is a property investment holding company. It is a wholly-owned subsidiary of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are Directors and Shareholders of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(a) Existing RRPT (cont'd)

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to shareholders dated 26 April 2023 (RM)	Actual Value transacted (from the date of the last AGM on 25 May 2023 up to the LPD) (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Interested Director/ Interested Major Shareholder/ Persons connected to them	Nature of relationship
Amalan Prestasi Sdn. Bhd. – Landlord	PK Fertilizers Sdn. Bhd. – Tenant	Renting of office, production factory for the manufacturing, formulation, distribution of compaction fertiliser, mixture fertiliser and straight fertiliser and warehouse for the storage of raw materials and finished goods with latest tenure from 1 January 2022 to 31 December 2024 (bearing postal address as PLO 293, Jalan Suasa, Kawasan Perindustrian Pasir Gudang, 81700, Pasir Gudang, Johor), with monthly rental amounting to RM188,640, with built-up area 80,883 square metre, rental is payable on monthly basis and renewable for 2 years with renewal notice period of 2 months prior to the expiry of the tenancy)	2,500,000	2,075,040	2,500,000	<ul style="list-style-type: none"> Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB 	<ul style="list-style-type: none"> Amalan Prestasi Sdn. Bhd. ("APSB") is a property investment holding company. It is wholly-owned subsidiary of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are Directors and Shareholders of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(a) Existing RRPT (cont'd)

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to shareholders dated 26 April 2023 (RM)	Actual Value transacted (from the date of the last AGM on 25 May 2023 up to the LPD) (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Interested Director/ Interested Major Shareholder/ Persons connected to them	Nature of relationship
Ong Tzu Chuen – Landlord	Hexstar Fert Sdn. Bhd. – Tenant	Renting of office with latest tenure from 1 August 2022 to 31 July 2025 (bearing postal address as No 62, Jalan Bayu Laut 4/KS09, Kota Bayuemas, Pandamar, 41200 Pelabuhan Klang, Selangor), with monthly rental amounting to RM6,400, with built-up area of 153 square metre, rental is payable on monthly basis)	100,000	70,400	100,000	Dato' Ong Choo Meng Dato' Ong Soon Ho HHSB	<ul style="list-style-type: none"> Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

Notes on Nature of Transaction:

* The estimated values are calculated based on historical data and best estimates by the management. Accordingly, the actual value of the transaction may vary from the estimated value disclosed above and subject to changes.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(b) New RRPT

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated value per monthly transaction* (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Estimated value of RRPT transacted from LPD up to the forthcoming 12 th AGM (RM)	Actual Value transacted from the date of the first transaction up to LPD** (RM)	Interested Director/ Shareholder/Persons connected to them	Nature of Relationships
Rubberex (M) Berhad Buyer	TK Rentals Sdn. Bhd. – Seller	Sales or rental of parts / equipment / industrial products / services (e.g., tent, furniture, lighting, generator set, forklift, battery, etc) including the associated cost such as transportation cost, installation cost and etc.	125,000	1,500,000	5,500	21,067	Dato' Ong Choo Meng Dato' Ong Soon Ho Ong Tzu Chuen	<ul style="list-style-type: none"> Dato' Ong Choo Meng is a major shareholder of Hextar Healthcare Berhad via his indirect shareholding of Hextar Rubber Sdn. Bhd.. Rubberex (M) Sdn. Berhad involved in manufacturing and sales of household and industrial rubber gloves is a subsidiary of Hextar Healthcare Berhad. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(b) New RRPT (cont'd)

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated value per monthly transaction* (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Estimated value of RRPT transacted from LPD up to the forthcoming 12 th AGM (RM)	Actual Value transacted from the date of the first transaction up to LPD** (RM)	Interested Director/ Shareholder/Persons connected to them	Nature of Relationships
PHG Wholesale & Retail Sdn. Bhd. - Buyer	HIB Group – Seller	Sales of compacted and foliar fertilisers (such as Alga, Rootmost, Leili and etc) to improve the quality of agricultural products, including the charge of delivery and associated cost such as transportation cost, handling charges and etc.	166,667	2,000,000	16,500	49,380	Dato' Ong Choo Meng Dato' Ong Soon Ho Ong Tzu Chuen HHSB	<ul style="list-style-type: none"> PHG Wholesale & Retail Sdn. Bhd. involved in wholesale of fruits. It is a subsidiary of Hextar Global Berhad. Hextar Global Berhad is a subsidiary of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are Directors and Shareholders of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(b) New RRPT (cont'd)

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated value per monthly transaction* (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Estimated value of RRPT transacted from LPD up to the forthcoming 12 th AGM (RM)	Actual Value transacted from the date of the first transaction up to LPD** (RM)	Interested Director/ Shareholder/Persons connected to them	Nature of Relationships
Opcom Lube & Solutions Sdn. Bhd. – Seller	HIB Group – Buyer	Purchase of industrial products such as hydraulic oil, gear oil & engine oil and etc.	83,333	1,000,000	48,000	166,199	Dato' Ong Choo Meng Dato' Ong Soon Ho Ong Tzu Chuen HHSB	<ul style="list-style-type: none"> Opcom Lube & Solutions Sdn. Bhd. involved in manufacturing lubrication oil and oil related products. It is a subsidiary of Hextar Global Berhad. Hextar Global Berhad is a subsidiary of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are Directors and Shareholders of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(b) New RRPT (cont'd)

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated value per monthly transaction* (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Estimated value of RRPT transacted from LPD up to the forthcoming 12 th AGM (RM)	Actual Value transacted from the date of the first transaction up to LPD** (RM)	Interested Director/ Shareholder/Persons connected to them	Nature of Relationships
Evergreen Agricultural Services Sdn. Bhd. – Seller	HIB Group – Buyer	Storage of fertilisers in warehouse and delivery of fertilisers	333,333	4,000,000	456,000	1,292,359	Dato' Ong Choo Meng Dato' Ong Soon Ho Ong Tzu Chuen HHSB	<ul style="list-style-type: none"> Evergreen Agricultural Services Sdn. Bhd. involved in providing warehouse services, integrated logistics and transportation services. It is a wholly owned subsidiary of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are Directors and Shareholders of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(b) New RRPT (cont'd)

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated value per monthly transaction* (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Estimated value of RRPT transacted from LPD up to the forthcoming 12 th AGM (RM)	Actual Value transacted from the date of the first transaction up to LPD** (RM)	Interested Director/ Shareholder/Persons connected to them	Nature of Relationships
Halex (M) Sdn. Bhd. – Seller	HIB Group - Buyer	Purchase of raw materials (straight fertilisers such as ammonium sulphate and etc) including the charge of delivery and associated cost such as transportation cost, handling charges and etc.	83,333	1,000,000	8,400	18,900	Dato' Ong Choo Meng Ong Tzu Chuen Dato' Ong Soon Ho HHSB	<ul style="list-style-type: none"> Halex (M) Sdn. Bhd. is a manufacturer and distributor of agrochemicals and is a subsidiary of Hextar Global Berhad. Hextar Global Berhad is a subsidiary of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are Directors and Shareholders of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(b) New RRPT (cont'd)

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated value per monthly transaction* (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Estimated value of RRPT transacted from LPD up to the forthcoming 12 th AGM (RM)	Actual Value transacted from the date of the first transaction up to LPD** (RM)	Interested Director/ Shareholder/Persons connected to them	Nature of Relationships
Tufbond Technologies Sdn. Bhd. – Buyer	HIB Group – Seller	Sales of raw materials (straight fertilisers such as muriate of potash, granular urea, ammonium chloride, ammonium sulphate, borate, mono ammonium phosphate, granular diammonium phosphate, and etc) including the charge of delivery and associated cost such as transportation cost, handling charges and etc.	41,667	500,000	1,000	902	Dato' Ong Choo Meng Dato' Ong Soon Ho Ong Tzu Chuen HHSB	<ul style="list-style-type: none"> Tufbond Technologies Sdn. Bhd. involved in manufacturing of various types of synthetic latex polymers. It is a subsidiary of Hextar Global Berhad. Hextar Global Berhad is a subsidiary of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are Directors and Shareholders of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(b) New RRPT (cont'd)

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated value per monthly transaction* (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Estimated value of RRPT transacted from LPD up to the forthcoming 12 th AGM (RM)	Actual Value transacted from the date of the first transaction up to LPD** (RM)	Interested Director/Interested Major Shareholder /Persons connected to them	Nature of Relationships
Hexstar Holdings and Subsidiaries – Buyer	Pacific Office (M) Sdn. Bhd. – Seller	Sales of office supplies (such as stationery, paper, printer, shredder, chart boards, office chairs, tables, cabinets and etc) including the charge of delivery and associated cost such as transportation cost, handling charges and etc.	41,667	500,000	20,000	52,843	Dato' Ong Choo Meng Dato' Ong Soon Ho Ong Tzu Chuen HHSB	<ul style="list-style-type: none"> Pacific Office (M) Sdn. Bhd. involved in distribution, retails and online sales of office equipment and supplies, personal protective equipment and supplies, stationery books, magazines and newspapers, rental and operational leasing of office equipment. It is a subsidiary of Hexstar Industries Berhad. Hexstar Industries Berhad is a subsidiary of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are Directors and Shareholders of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(b) New RRPT (cont'd)

Related Party	Transacting Company within HIB Group	Nature of Transaction	Estimated value per monthly transaction* (RM)	Estimated value of transaction from the date of the forthcoming 12 th AGM to the date of next AGM* (RM)	Estimated value of RRPT transacted from LPD up to the forthcoming 12 th AGM (RM)	Actual Value transacted from the date of the first transaction up to LPD** (RM)	Interested Director/ Interested Major Shareholder/ Persons connected to them	Nature of Relationships
Reznon Diagnostics International Sdn. Bhd. – Seller	HIB Group – Buyer	Sales of rapid COVID-19 Antigen test kits including the charge of delivery and associated cost such as transportation cost, handling charges and etc.	41,667	500,000	3,000	9,195	Dato' Ong Choo Meng Dato' Ong Soon Ho Ong Tzu Chuen	<ul style="list-style-type: none"> Reznon Diagnostics International Sdn. Bhd. involved in developing and manufacturing a portfolio of innovative in vitro diagnostics (IVD) rapid test kits and ELISA kits for medical professionals and clinical diagnostic markets worldwide and is a subsidiary of Hextar Healthcare Berhad. Hextar Healthcare Berhad is a subsidiary of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are Directors and Shareholders of HHSB. Dato' Ong Choo Meng and Dato' Ong Soon Ho are the major shareholders of HIB via their indirect shareholding held under HHSB in HIB. Ong Tzu Chuen is the daughter of Dato' Ong Soon Ho and the sister of Dato' Ong Choo Meng. She is also a Non-Independent Non-Executive Director of HIB.

2.3 Classes of Related Parties and Nature of RRPT(s) (Cont'd)

(b) New RRPT (cont'd)

Notes on Nature of Transaction:

* The estimated values are calculated based on the historical data and best estimates by the management. Accordingly, the actual value of the transaction may vary from the estimated value disclosed above and subject to changes.

** The Percentage ratio for the transactions from the date of the first transaction up to the date of the forthcoming AGM is less than 5%.

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2.4 Review Methods or Procedures for the Recurrent Related Party Transactions

The HIB Group has established various methods and procedures to ensure the RRPT(s) are undertaken at arms' length at transaction prices and on normal commercial terms, which are consistent with HIB Group's usual business practices and policies, on terms which are not more favourable to the Related Parties than those extended to the public and are not detrimental to the minority shareholders.

The review and disclosure procedures are as follows:

- (i) the Related Parties, interested Directors and persons connected will be advised that they are subject to the shareholders' mandate and will also be advised of the review and disclosure procedures;
- (ii) the transaction prices, terms and conditions which are market driven are to be determined at arms' length on a customer/supplier relationship basis at mutually agreed rates after due consideration of benefits to be derived from the transaction, under similar commercial terms for transactions with unrelated third parties, which depend on demand and supply, quality, level of service and other related factors;
- (iii) some transactions may be on a cost recovery basis, being recovery of part of the costs for sharing or provision of some services or on a negotiated basis where both parties would contract on terms which are mutually acceptable and beneficial;
- (iv) the management of HIB Group is cognizant that all RRPT(s) are required to be undertaken on an arm's length basis and on normal commercial terms. Where practicable and feasible, quotation and/or tenders will be obtained from at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities and 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 products/services and/or quantities. Where it is impractical or impossible for quotes and/or tenders to be obtained from unrelated parties, or where there have not been any similar or substantially similar transactions between HIB Group and unrelated third parties, the terms of the transactions for the products or services will be in accordance to the usual business practices of the Group to ensure that the RRPTs are not detrimental to HIB Group;
 - (i) transactions below RM1,000,000 each in value, will be reviewed and approved by one senior executive (not being a person connected to the Related Party) designated by the Audit Committee from time to time for such purpose and tabled for review by the Audit Committee on a quarterly basis; and
 - (ii) transactions equal to or exceeding RM1,000,000 each in value will be reviewed and approved by the Audit Committee and one Executive Director (not being the Related Party or a person connected to Related Party);
- (v) records will be maintained by the respective companies to capture all RRPT(s) which are entered pursuant to the shareholders' mandate;
- (vi) the annual internal audit plan shall incorporate a review of all RRPT(s) entered into pursuant to the shareholders' mandate to ensure that relevant approvals are obtained and the procedures in respect of such transactions are adhered to;

- (vii) the Board and Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures to monitor RRPT(s) have been complied with; and
- (viii) the Board shall have overall responsibility for the determination of the review procedures. If a member of the Board and Audit Committee has an interest in the transaction to be reviewed by the Board and Audit Committee, as the case may be, he will abstain from any decision making by the Board or Audit Committee in respect of the said transaction.

2.5 Disclosure in Annual Report

Disclosure will be made in the annual report of the Company in accordance with Rule 3.1.5 of Guidance Note 8 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPTs entered into during the financial year based on the following information:

- (a) the type of the RRPTs made; and
- (b) the names of the Related Parties involved in each of the RRPTs made and their relationship with HIB Group.

The above disclosure will be made in the Company's annual report for each subsequent financial year after the Proposed Shareholders' Mandate has been obtained.

2.6 Statement by Audit Committee

The Audit Committee has the overall responsibility of determining whether the procedures for reviewing all RRPT(s) are appropriate. The Audit Committee will review and ascertain at least once a year whether the procedures established to monitor RRPT(s) have been complied with. If it is determined that the procedures stated in Section 2.4 are inadequate to ensure that (i) the RRPT(s) will be conducted at arms' length and on normal commercial terms and (ii) such transactions are not prejudicial to the interest of the shareholders, the Company will obtain a fresh shareholders' mandate based on the new procedures.

The Audit Committee will also have the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such requests to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

The Audit Committee of the Company has seen and reviewed the procedures set out in Section 2.4 above and is of the view that HIB has in place adequate procedures and processes to monitor, track and identify RRPT(s) in a timely and orderly manner and is of the opinion that the procedures are sufficient to ensure that the RRPTs will be carried out at arms' length and in accordance with HIB Group's normal commercial terms, and hence, will not be prejudicial to the shareholders or disadvantageous to HIB and not more favourable to the Related Parties than those generally available to the public and not

detrimental to minority shareholders of HIB Group. The review of these procedures and processes is carried out at least once a year or when deemed necessary by the Audit Committee.

2.7 Amount Due and Owing by the Related Parties pursuant to the RRPT(s)

As at LPD, there is no amount due or owing to HIB Group by its Related Parties which exceeded the credit term given arising from the RRPTs.

3. RATIONALE OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will enable HIB Group to carry out RRPT(s) necessary for the Group's day-to-day operations, which are time sensitive in nature, and will eliminate the need to announce and convene separate general meetings (if applicable) from time to time to seek shareholders' mandate for such transaction. This will substantially reduce the expenses, time and other resources associated with convening of general meetings on an ad hoc basis, improve administrative efficiency and allow financial and manpower resources to be channelled towards attaining other corporate objectives.

The RRPT(s) carried out within HIB Group create mutual benefits for the companies in the Group, such as expediency and increased efficiency necessary for day-to-day operations.

In addition, the RRPT(s) are intended to meet the business needs of the Group on the best possible terms. By transacting with the Related Parties, the Group would have an advantage of familiarity with the background and management of the Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, the Group and the Related Parties have close co-operation and a good understanding of each other's business needs thus providing a platform where all parties can benefit from conducting the RRs).

4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will not have any material effect on the share capital of the Company as well as the consolidated NA, gearing, EPS and the shareholdings of the substantial shareholders of HIB.

5. INTEREST OF DIRECTOR AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

As at LPD, the direct and indirect interests of the Directors and/or Major Shareholders and/or persons connected to the Directors and/or Major Shareholders of HIB who are interested and/or do not consider themselves independent in the RRPT(s) are as follows:

	Direct		Indirect	
	No. of HIB Shares	%	No. of HIB Shares	%
<u>Interested Director</u> Ong Tzu Chuen ⁽¹⁾	-	-	-	-
<u>Interested Major Shareholder</u>				

	Direct		Indirect	
	No. of HIB Shares	%	No. of HIB Shares	%
HHSB	1,521,720,997	55.389	-	-
Dato' Ong Soon Ho	-	-	1,521,720,997 ⁽²⁾	55.389
Dato' Ong Choo Meng	16,432,700	0.598	1,521,720,997 ⁽²⁾	55.389

Notes:

⁽¹⁾ Ong Tzu Chuen is a director of HIB and also the sister of Dato' Ong Choo Meng and daughter of Dato' Ong Soon Ho. Ong Tzu Chuen does not have any direct or indirect shareholding in HIB.

⁽²⁾ Deemed interested through Hextar Holdings Sdn. Bhd. pursuant to Section 8 of the Act

Accordingly, Ong Tzu Chuen ("Interested Director") had and will continue to abstain from all deliberations and voting on matters relating to the Proposed Shareholders' Mandate at Board meetings. The Interested Director, HHSB, Dato' Ong Soon Ho and Dato' Ong Choo Meng ("the Interested Major Shareholders") will abstain from voting in respect of their direct and/or indirect shareholdings in HIB at the forthcoming 12th AGM on the resolution pertaining to the Proposed Shareholders' Mandate.

The above Interested Directors and Interested Major Shareholders have undertaken that they shall ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution, deliberating or approving the Proposed Shareholders' Mandate at the forthcoming 12th AGM.

Save as disclosed above, none of the other Directors and/or Major Shareholders and/or persons connected with a Director or Major Shareholders of HIB has any interest, directly or indirectly in the Proposed Shareholders' Mandate.

6. APPROVALS REQUIRED

The Proposed Shareholders' Mandate are conditional upon the approval of the shareholders of the Company being obtained at the forthcoming 12th AGM to be convened.

7. DIRECTORS' RECOMMENDATION

The Directors of HIB (save for Ong Tzu Chuen) having considered all aspects of the Proposed Shareholders' Mandate and after careful deliberation, are of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Company and accordingly, the Board (save for Ong Tzu Chuen) recommended that the shareholders of HIB to vote in favour of the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming 12th AGM.

8. 12th AGM

The 12th AGM of the Company, the notice of which is enclosed together with the Annual Report 2023 of the Company, will be conducted on a virtual basis through online meeting platform via TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia, on Tuesday, 21 May 2024 at 10:00 a.m. or any adjournment thereof for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed Shareholders' Mandate.

If you are unable to attend and vote in person at the 12th AGM, you are requested to complete, sign and return the Form of Proxy enclosed in the Annual Report 2023 in accordance with the instructions printed therein as soon as possible so as to arrive at Tricor Investor & Issuing House Services Sdn Bhd, Share Registrar office of the Company at Unit 32-01, Level 32 Tower A, Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time set for the AGM.

The completion and return 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.

9. ADDITIONAL INFORMATION

Shareholders are requested to refer to the attached appendices contained in this Circular for further information.

Yours faithfully
For and on behalf of the Board
HEXTAR INDUSTRIES BERHAD

ANG SUI AIK
Group Managing Director

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PART B

CIRCULAR TO SHAREHOLDERS IN RELATION TO

**PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN
SHARES FOR UP TO TEN PERCENT (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES**



HEXTAR INDUSTRIES BERHAD
[Registration No. 201101044580 (972700-P)]
(Incorporated in Malaysia)

Registered Office

B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No. 1, Medan Syed Putra Utara,
59200 Kuala Lumpur

29 April 2024

Board of Directors:

Dato' Chan Choun Sien	(Independent Non-Executive Chairman)
Ang Sui Aik	(Group Managing Director)
Sham Weng Kong	(Executive Director)
Ong Tzu Chuen	(Non-Independent Non-Executive Director)
Dato Sri Chee Hong Leong	(Independent Non-Executive Director)
Oon Seow Ling	(Independent Non-Executive Director)
Shahjanaz Binti Datuk Kamaruddin	(Independent Non-Executive Director)

To: The Shareholders of Hextar Industries Berhad

Dear Sir/Madam,

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

At the 11th AGM of HIB held on 25 May 2023, the Shareholders, had inter-alia, given a mandate for HIB to purchase up to ten percent (10%) of the total issued of the Company at the time of purchase. The authority obtained by the Board for the purchase of HIB Shares will lapse at the conclusion of the forthcoming 12th AGM of the Company, unless a renewal of mandate for the share buy-back authority is obtained from the Shareholders at the forthcoming 12th AGM.

In connection thereto, the Company had on 4 April 2024 announced its intention to seek the Shareholders' approval for the Proposed Renewal of Share Buy-Back Authority at the forthcoming 12th AGM of the Company.

The purpose of this Statement is to provide you with the details of the Proposed Renewal of Share Buy-Back Authority and to seek your approval for the ordinary resolution pertaining thereto to be tabled at the forthcoming 12th AGM. The Notice convening the 12th AGM of HIB and the Form of Proxy are enclosed in the Annual Report 2023 of the Company.

SHAREHOLDERS OF HIB ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY AT THE FORTHCOMING 12TH AGM.

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Board is proposing to seek and obtain the Company's renewal authority for HIB to purchase its own Shares of up to ten percent (10%) of the total number of issued Shares of the Company which are listed on Bursa Securities through its appointed stockbroker(s) at any point of time subject to compliance with Section 113(5) and 127 of the Act, the Listing Requirements and any Prevailing Laws at the time of purchases.

The Proposed Renewal of Share Buy-Back Authority, once approved by the shareholders, shall take effect from the passing of the ordinary resolution pertaining thereto at the forthcoming 12th AGM and shall continue to be in force until:

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

whichever occurs first.

The Proposed Renewal of Share Buy-Back Authority does not impose an obligation on the Company to purchase its own Shares on Bursa Securities. The Proposed Renewal of Share Buy-Back Authority will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period.

For illustrative purposes, as at LPD, the total number of issued shares of HIB are 2,747,341,623 shares. Hence the maximum number of shares that may be purchased by the Company is up to 274,734,162 shares, representing ten percent (10%) of the total number of issued Shares.

3. FUNDING FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

In accordance with the Listing Requirements, the Proposed Renewal of Share Buy-Back Authority must be made wholly out of retained earnings based on the latest annual audited financial statements of the listed company.

Therefore, the maximum amount of funds to be utilised for the Proposed Renewal of Share Buy-Back Authority shall not exceed the aggregate of the retained earnings of the Company. Based on the latest audited financial statements of the Company for the financial year ended 31 December 2023, the retained earnings of the Company were RM27,761,678.

The Company intends to use internally generated funds to finance the Proposed Renewal of Share Buy-Back Authority subject to compliance with Section 127 of the Act and any Prevailing Laws at the time of purchase. Notwithstanding this, in the event the Proposed Renewal of Share Buy-Back Authority (or any part of it) is to be financed through external borrowings, the Board will ensure that the Company has sufficient funds to repay such external borrowings.

The Proposed Renewal of Share Buy-Back Authority is not expected to have a material impact on the cashflow position of the Company.

The actual number of the Shares to be purchased, and the timing of such purchases will depend on, among others, the market conditions and sentiments of the stock market as well as the Company's financial resources and retained earnings.

4. TREATMENT OF PURCHASED SHARES

- i. The treatment of the Purchased Shares may be dealt with by the Board at their discretion, in accordance with Section 127 of the Act, in the following manner:
 - (a) to cancel the Purchased Shares;
 - (b) to retain the Purchased Shares as treasury shares;
 - (c) to retain part of the Purchased Shares as treasury shares and cancel the remainder.

Pursuant to Section 127(7) of the Act, where such Shares are held as treasury shares, the Board may, at their discretion:

- (a) to distribute the treasury shares as dividends to the Shareholders ("Share Dividends");
 - (b) to resell the treasury shares on the market of Bursa Securities in accordance with the relevant rules of Bursa Securities;
 - (c) transfer the treasury shares, or any of the said Shares for the purposes of or under an employee' share scheme or share grant scheme which the Company may establish in the future;
 - (d) transfer the treasury shares, or any of the said Shares as purchase consideration;
 - (e) cancel the treasury shares, or any of the said Shares;
 - (f) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister may by order prescribe; or
 - (g) any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements as well as any other relevant authority for the time being in force.
- ii. As at the date of this Statement, the Board has yet to make any decision with regard to the treatment of the Purchased Shares and will take into consideration the effects of such treatment on the Group in arriving at its decision. An immediate announcement will be made to Bursa Securities upon each purchase, cancellation and/or resale of Shares pursuant to the Proposed Renewal of Share Buy-Back Authority.
- iii. In the event that the Purchased Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in any other distribution or otherwise would be suspended. 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 purposes including the determination of substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for meetings and the result of votes on the resolution at a meeting.

5. PURCHASE/RESALE/TRANSFER PRICE

Pursuant to the Listing Requirements, the purchase price of the Shares cannot be more than fifteen percent (15%) above the five (5)-market day volume weighted average price ("VWAP") of Shares immediately prior to the date of any purchase(s).

In the case of a resale or transfer of Purchased Shares, the Purchased Shares may be resold or transfer on Bursa Securities at a price:

- (a) not less than the five (5)-market day VWAP of the Shares immediately prior to the resale or transfer; or
- (b) at a discount of not more than five percent (5%) to the five (5)-market day VWAP of the Shares immediately prior to resale or transfer provided that:
 - (i) the resale or transfer takes place no earlier than thirty (30) days from the date of purchase; and
 - (ii) the resale or transfer price is not less than the cost of purchase of Shares being resold or transferred.

6. PUBLIC SHAREHOLDING SPREAD

Pursuant to Rule 8.02(1) of the Listing Requirements, a listed corporation must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders ("Required Public Shareholding Spread").

Based on the Record of Depositors of the Company as at LPD, the public shareholding spread of the Company was 43.21% of the total number of issued Shares. Assuming that the Proposed Renewal of Share Buy-Back Authority was carried out in full and the Purchased Shares were all cancelled, the public shareholding spread of the Company would be reduced to 36.90% on the basis that the Shares held by the Directors, Substantial Shareholders of the Company and persons connected with them remained unchanged.

The Board will endeavour to ensure that the Company complies with the Required Public Shareholding Spread and shall not buy back the Company's own shares if the purchase would result in the public shareholding spread requirement not being met.

7. IMPLICATIONS RELATING TO THE RULES

Pursuant to Rule 4 of the Code, a person and any parties acting in concert with him will be required to make a mandatory offer for the remaining HIB Shares not already owned by him/her/them if his/her/their stake in the Company is increased to beyond 33% or if his/her/their shareholding is between 33% and 50% and increases by another 2% in any six (6) months period.

However, an exemption from mandatory offer obligation may be granted by the SC under the Code subject to the parties acting in concert complying with the conditions stipulated in the Code.

The Company intends to implement the Proposed Renewal of Share Buy-Back Authority in the manner that will not result in any of the shareholders having to undertake a mandatory offer pursuant to the Code. In this respect, the Board will be mindful of the requirements of the Code when implementing the Proposed Renewal of Share Buy-Back Authority. Nonetheless, if the obligation to undertake a mandatory general offer under the Code is expected to be triggered, the substantial shareholders and their respective parties acting in concert will apply for an exemption from the SC.

8. RATIONALE/POTENTIAL ADVANTAGES AND DISADVANTAGES OF SHARE BUY-BACK

The implementation of the Proposed Renewal of Share Buy-Back Authority is envisaged to benefit the Company and its shareholders as follows:

- (i) the Company is able to utilise its surplus financial resources more efficiently. If implemented, this may help to stabilise the supply and demand of the HIB Shares traded on Bursa Securities and thereby support its fundamental value;
- (ii) the EPS of HIB Shares and the return on equity of the Company is expected to improve as a result of a reduced share capital base;
- (iii) the Purchased HIB Shares retained as treasury shares provide the Board with an option to resell the treasury shares at a higher price and generate capital gains for the Company;
- (iv) the Purchased HIB Shares retained as treasury shares can be distributed as share dividends to the shareholders as a reward; and
- (v) the financial resources of the Company will increase if the Purchased HIB Shares held as treasury shares are resold at prices higher than the purchase price.

The potential advantages of the Proposed Renewal of Share Buy-Back Authority to the Company and its shareholders are as follows: -

- (i) To allow the Company to take preventive measures against speculation particularly when its Shares are undervalued which would in turn stabilise the supply and demand of its Shares in the open market and thereby supporting its fundamental values;
- (ii) Purchased Shares, whether to be held as treasury shares or subsequently cancelled, will effectively reduce the number of Shares carrying voting rights. Therefore, shareholders are likely to enjoy an increase in the value of their investment in the Company due to the increase in the Company's EPS;
- (iii) The Purchased Shares may be held as treasury shares and distributed to shareholders as share dividends and/or resell or partially resell in the open market with the intention of realising a potential capital gain if the Purchased Shares are re-sell at price(s) higher than their purchase price(s); or
- (iv) The Purchased Shares may be held as treasury shares and to be transferred for the purpose of or under the employee' share scheme or share grant scheme to be established by the Company without the necessity of appointing a trustee, thus, saving costs.

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority to the Company and its shareholders are as follows: -

- (i) The Proposed Renewal of Share Buy-Back Authority, if exercised, is expected to temporarily reduce the financial resources of the Group and may represent an opportunity cost to the Group in respect of its ability to undertake other investment opportunities and/or to earn any income that may be derived from other alternative use of such funds such as deposits in interest bearing instruments; and
- (ii) As the Proposed Renewal of Share Buy-Back Authority must be made wholly out of the retained earnings of the Company, it may result in the reduction of financial resources available for distribution to the shareholders in the form of cash dividends as the funds are utilised to purchase the Company's own Shares.

Nevertheless, the Board is of the view that the Proposed Renewal of Share Buy-Back Authority is not expected to have any potential material disadvantage to Company and its shareholders as it will be implemented only after in-depth consideration of the financial resources of the Company and the resultant impact on the shareholders. The Board will be mindful of the interest of HIB and its shareholders in undertaking the Proposed Renewal of Share Buy-Back Authority and in the subsequent cancellation of the Purchased Shares.

9. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The effects of the Proposed Renewal of Share Buy-Back Authority are as follows: -

9.1. Share Capital

Based on the total number of issued Shares as at the LPD, and assuming the maximum number of Shares (of up to ten percent (10%) of the total number of issued Shares) under the Proposed Renewal of Share Buy-Back Authority is purchased and such Purchased Shares are cancelled, the effects of the Proposed Renewal of Share Buy-Back Authority on the total number of issued Shares of the Company are as follows: -

	No. of Shares
Total number of issued Shares as at LPD	2,747,341,623
Maximum number of Shares that may be purchased pursuant to the Proposed Renewal of Share Buy-Back Authority*	(274,734,162)
Total number of issued Shares upon completion of the Proposed Renewal of Share Buy-Back Authority	2,472,607,461

Note:-

*Assuming all Purchased Shares are cancelled

The effect of the Proposed Renewal of Share Buy-Back Authority on the Company's issued share capital and the total number of issued Shares will depend on whether the Purchased Shares are retained as treasury shares or cancelled.

If the Purchased Shares are retained as treasury shares, the Proposed Renewal of Share Buy-Back Authority will not affect the Company's issued share capital but the rights attaching to them as to voting, dividends and participation in other distributions or otherwise, of the Company's assets including any distribution of assets upon winding up of the Company will be suspended. The treasury shares will 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 shareholdings, takeovers, notices, requisitioning of meetings, quorum for a meeting and result of a vote on a resolution at a meeting.

9.2. Earnings and EPS

The effects of the Proposed Renewal of Share Buy-Back Authority on the earnings and EPS of HIB will depend on the purchase price of such Shares, the number of Purchased Shares, the effective funding cost to the Group to finance the Purchased Shares or any loss in interest income to the Company and the proposed treatment of the Purchased Shares.

The reduction in the number of HIB Shares applied in the computation of the EPS pursuant to the Proposed Renewal of Share Buy-Back Authority may generally, all else being equal, have a positive impact on the consolidated EPS for the financial year when the Proposed Renewal of Share Buy-Back Authority is implemented.

Should the Company choose to hold the Purchased Shares as treasury shares and resell the Shares subsequently, the effect on the EPS of the Group will depend on the actual selling price, the number of treasury shares resold, and the effective gain or interest saving arising from the exercise.

If the Shares so purchased are cancelled, the Proposed Renewal of Share Buy-Back Authority will increase the EPS of the Group provided that the income foregone and interest expenses incurred on the Purchase Shares is less than the EPS before the Proposed Renewal of Share Buy-Back Authority.

9.3. NA, Gearing and Working Capital

The NA of the Group may increase or decrease depending on the purchase price of the Shares, the number of Purchased Shares and the effective funding cost to the Group to finance the Purchased Shares or any loss in interest income to the Group.

In the event that all the Purchased Shares are cancelled, the Proposed Renewal of Share Buy-Back Authority will reduce the NA per Share of the Group when the purchase price per Share exceeds the NA per Share at the relevant point in time, and vice versa. Conversely, the NA per Share of the Company will be increased when the purchase price is lower than the NA per share at the time of purchase. Should the Purchased Shares be resold, the consolidated NA per Share will increase if the Company realises a gain from the resale, and vice versa.

The NA per Share will decrease if the Purchased Shares are retained as treasury shares due to the requirement for treasury shares to be carried at cost and offset against equity, resulting in a decrease in the NA by the cost of the treasury shares. If the treasury shares are subsequently distributed as Share Dividends, the NA of the Group would decrease by the cost of the treasury shares.

Assuming that the treasury shares are being retained by the Company and no borrowing is being used to fund any purchase of the Purchased Shares, the Proposed Renewal of Share Buy-Back Authority may increase the gearing of the Group as the Purchased Shares will reduce the equity by the cost of Shares acquired and held as treasury shares. The Proposed Renewal of Share Buy-Back Authority may further increase the gearing of the Company if borrowing is used to fund any purchase of the Purchased Shares. However, at the juncture, the Company does not foresee to use any borrowing to purchase any Shares under the Proposed Renewal of Share Buy-Back Authority.

The Proposed Renewal of Share Buy-Back Authority, and when implemented, will reduce the working capital and cash flow of the Group, the quantum of which will depend on the purchase prices of the Shares and the number of Purchased Shares.

For Purchased Shares which are kept as treasury shares, upon their resale, the working capital and cash flow of the Group will increase upon the receipt of the proceeds of the resale. The quantum of such increase will depend on the actual selling price(s) of the treasury shares and the number of treasury shares resold.

9.4. Directors' and/or Substantial Shareholders' Shareholdings

The Purchased Shares by the Company pursuant to the Proposed Renewal of Share Buy-Back Authority that are retained as treasury shares and/or cancelled will result in a proportionate increase in the percentage of shareholdings of the Directors and Substantial Shareholders of the Company.

The effects of the Proposed Renewal of Share Buy-Back Authority on the direct and indirect interests of the Directors and Substantial Shareholders and any person connected with the Directors and/or Substantial Shareholders in the proposed purchase based on the Register of Directors and Substantial Shareholders of HIB as at LPD are illustrated as follows: -

	Existing as at LPD				After Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<u>Directors</u>								
Dato' Chan Choun Sien	-	-	-	-	-	-	-	-
Ang Sui Aik	100,000	0.004	-	-	100,000	0.004	-	-
Sham Weng Kong	1,000,000	0.036	-	-	1,000,000	0.040	-	-
Dato Sri Chee Hong Leong	-	-	-	-	-	-	-	-
Ong Tzu Chuen	-	-	-	-	-	-	-	-
Oon Seow Ling	-	-	-	-	-	-	-	-
Shahjanaz Binti Datuk Kamaruddin	-	-	-	-	-	-	-	-
<u>Substantial Shareholders</u>								
Hextar Holding Sdn. Bhd.	1,521,720,997	55.389	-	-	1,521,720,997	61.543	-	-
Dato' Ong Choo Meng	16,432,700	0.598	1,521,720,997*	55.389	16,432,700	0.665	1,521,720,997*	61.543
Dato' Ong Soon Ho	-	-	1,521,720,997*	55.389	-	-	1,521,720,997*	61.543

Notes: *Deemed interested in the shares held by Hextar Holdings Sdn. Bhd. pursuant to Section 8 of Companies Act 2016

10. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save for the consequential increase in the percentage of shareholdings and/or voting rights of the Directors and substantial shareholders of the Company as a result of the decrease in our issued share capital after the Proposed Renewal of Share Buy-Back Authority, none of the Directors and/or Substantial Shareholders and/or persons connected to them have any interest, either direct or indirect in the Proposed Renewal of Share Buy-Back Authority and the subsequent resale of treasury shares, if any, in the future.

11. CONDITION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority is conditional upon approval of the shareholders of the Company at the forthcoming 12th AGM.

12. PREVIOUS PURCHASE, RESALE, CANCELLATION AND/OR TRANSFER OF TREASURY SHARES MADE IN THE PRECEDING TWELVE (12) MONTHS

During the last twelve (12) months preceding the LPD, the Company has not purchased any of its own Shares, resold or transferred or cancelled any treasury shares. As at the LPD, the Company does not hold any treasury shares.

13. HISTORICAL SHARE PRICES

The following table sets out the monthly highest and lowest prices of HIB Shares traded on Bursa Securities for the preceding twelve (12) months from April 2023 up to March 2024:-

2023	High (RM)	Low (RM)
April	0.545	0.450
May	0.540	0.415
June	0.565	0.455
July	0.475	0.430
Aug	0.470	0.415
September	0.455	0.395
October	0.410	0.370
November	0.415	0.370
December	0.400	0.360
2024		
January	0.410	0.360
February	0.400	0.360
March	0.375	0.335

The last transacted price of HIB Shares as at LPD is RM0.375.

(Source: Bursa Securities)

14. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that the Proposed Renewal of Share Buy-Back Authority is fair and reasonable and in the best interest of the Company and its shareholders. Accordingly, the Board recommends that the shareholders to vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 12th AGM.

15. FURTHER INFORMATION

Shareholders of HIB are advised to refer to the attached Appendix I for further information.

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1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. MATERIAL CONTRACTS

The Board has confirmed that as at LPD, HIB Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the two (2) years immediately preceding the date of this Circular.

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

The Board has confirmed that as at the LPD, neither HIB nor its subsidiaries is engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Board has no knowledge of any proceeding pending or threatened against HIB Group or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the HIB Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by the shareholders of HIB at the Registered Office of HIB at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur during normal office hours between Mondays and Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming 12th AGM:

- (i) The Constitution of HIB; and
- (ii) The Audited Financial Statements of HIB Group for the past two (2) financial years ended 31 December 2022 and 31 December 2023.