

THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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



Malayan United Industries Berhad

Registration No. 196001000140 (3809-W)
(Incorporated in Malaysia)

STATEMENT TO SHAREHOLDERS

IN RELATION TO THE

**PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE OF OWN SHARES BY
MALAYAN UNITED INDUSTRIES BERHAD**

The Notice of the 52nd Annual General Meeting to be held virtually through live streaming from the Broadcast Venue at Ballroom 1, Level 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 7 December 2023 at 4.00 p.m. is set out in Malayan United Industries Berhad's 2023 Annual Report.

A Form of Proxy is enclosed with Malayan United Industries Berhad's 2023 Annual Report. The Form of Proxy must be lodged with the Share Registrar 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, OR by electronic form via TIIH Online website at <https://tiih.online>, on or before the date and time indicated below or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy: Tuesday, 5 December 2023 at 4.00 p.m.

This Statement is dated 31 October 2023.

DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Statement:

“Act”	:	Companies Act 2016, as amended from time to time and any re-enactment thereof.
“AGM”	:	Annual General Meeting.
“Board”	:	The Board of Directors of MUIB.
“Bursa Securities”	:	Bursa Malaysia Securities Berhad.
“Code”	:	Malaysian Code on Take-Overs and Mergers 2016 read together with the Rules on Take-Overs, Mergers and Compulsory Acquisitions, including any amendments that may be made from time to time.
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time.
“LPD”	:	19 October 2023, being the latest practicable date prior to the issuance of this Statement.
“Major Shareholder”	:	A person who has an interest or interest in one or more voting shares in MUIB and the aggregate number of those shares is: (a) 10% or more of the total number of voting shares in MUIB; or (b) 5% or more of the total number of voting shares in MUIB where such person is the largest shareholder of MUIB. For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act. A major shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the relevant transactions were agreed upon, a major shareholder of MUIB (or of its subsidiaries or holding company or any subsidiary of its holding company).
“MUIB” or “Company”	:	Malayan United Industries Berhad.
“MUIB Group”	:	MUIB and its subsidiary and associated companies.
“MUIB Share(s)”	:	Ordinary shares of MUIB.
“Proposed Share Buy-Back”	:	Proposed renewal of authority to enable MUIB to purchase and/or hold not more than 10% of the total number of issued shares of the Company.
“RM” and “sen”	:	Ringgit Malaysia and Sen respectively.
“Substantial Shareholder”	:	A person who has an interest or interests in one or more voting shares in MUIB and the number or the aggregate number of those shares is not less than 5% of the total number of voting shares in MUIB.

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

CONTENTS

PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE OF OWN SHARES BY MUIB

	Page
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED SHARE BUY-BACK	1
3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK	2
4. RISK FACTORS OF THE PROPOSED SHARE BUY-BACK	3
5. EFFECTS OF THE PROPOSED SHARE BUY-BACK	3
6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS	4
7. HISTORICAL SHARE PRICE	6
8. PUBLIC SHAREHOLDING SPREAD	6
9. IMPLICATION OF THE CODE	6
10. MAJOR SHAREHOLDERS' AND DIRECTORS' INTERESTS	6
11. PURCHASES, RESALE OR CANCELLATIONS OF MUIB SHARES IN THE PREVIOUS 12 MONTHS	7
12. APPROVAL REQUIRED	7
13. DIRECTORS' RECOMMENDATION	7
14. AGM	7
15. FURTHER INFORMATION	7
APPENDIX I FURTHER INFORMATION	



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Registration No. 196001000140 (3809-W)
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PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE OF OWN SHARES BY MALAYAN UNITED INDUSTRIES BERHAD

1. INTRODUCTION

The Board had on 18 October 2023 announced that the Company proposed to seek shareholders' approval for the renewal of the authority to enable the Company to purchase and/or hold shares of the Company of up to 10% of the total number of issued shares of the Company.

The Company had, during the 51st AGM held on 8 December 2022, obtained shareholders' approval to purchase up to 10% of the total number of issued shares of the Company for the time being. In accordance with the Listing Requirements, the aforesaid approval will continue in force until the conclusion of the forthcoming AGM of MUIB which will be held on 7 December 2023 unless renewal is obtained from the shareholders of the Company at the AGM. Your Directors intend to seek shareholders' approval for the Proposed Share Buy-Back at the forthcoming AGM.

The purpose of this Statement is to provide you with details of the Proposed Share Buy-Back and to seek your approval for the ordinary resolution to be tabled at the forthcoming AGM.

SHAREHOLDERS OF THE COMPANY ARE ADVISED TO READ THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

Based on the total number of issued shares of the Company as at LPD of 3,225,817,192 ordinary shares, the number of shares that can be purchased by the Company is up to 322,581,719 MUIB Shares representing not more than 10% of the total number of issued shares of MUIB quoted on Bursa Securities.

Such authority granted will be effective upon the passing of the proposed ordinary resolution for the Proposed Share Buy-Back and will expire at the conclusion of the next AGM of MUIB in the year 2023 or the expiry of the period within which the next AGM is required by law to be held, or revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting, whichever occurs first.

The maximum amount of funds to be allocated by the Company for the Proposed Share Buy-Back shall not exceed the aggregate of the retained profits. As at 30 June 2023, the audited retained earnings of the Company stood at RM400,548,000.

The amount allocated for the Proposed Share Buy-Back will be financed through internally-generated funds and/or borrowings. In the event the Proposed Share Buy-Back is funded partly and/or wholly by bank borrowings, the Board shall ensure that the Company will be capable of repaying such borrowings and such funding is not expected to have any material effect on the cash flow of the Company.

In accordance with the Listing Requirements, the Company may only purchase MUIB Shares on Bursa Securities at a price which is not more than 15% above the weighted average market price of MUIB Shares for the past 5 market days immediately preceding the date(s) of the purchase(s). The Company may only resell the treasury shares on Bursa Securities at a price which is:

- (a) not less than the weighted average market price for the shares for the past 5 market days immediately prior to the resale; or
- (b) not less than 5% below the weighted average market price for the shares for the past 5 markets days immediately prior to the resale, provided that:
 - (i) the resale takes place no earlier than 30 days from the date of purchase; and
 - (ii) the resale price is not less than the cost of purchase of the shares being resold.

The authority for the Proposed Share Buy-Back will allow your Directors to exercise the power of the Company to purchase its own shares at any time within the abovementioned time period, subject to compliance with the Act, the Company's Constitution, the Listing Requirements and any prevailing laws, guidelines, orders, rules and regulations issued by the relevant authorities at the time of purchase. The actual number of MUIB Shares to be purchased, the total amount of funds involved for each purchase and the date(s) of purchase(s) will depend on market conditions and sentiments of the stock market as well as the financial resources available to the Company.

The Directors can deal with the MUIB Shares purchased in the following manner:

- (a) to cancel the MUIB Shares so purchased; or
- (b) to retain the MUIB Shares so purchased as treasury shares; or
- (c) to retain part of the MUIB Shares so purchased as treasury shares and cancel the remainder; or
- (d) to deal with the MUIB Shares in any other manner as may be permitted by the applicable laws and/or regulations in force from time to time.

Where the Directors resolve to cancel the MUIB Shares so purchased, or cancel any treasury shares, the issued capital of the Company shall be diminished by the shares so cancelled. In the event the Company retains the MUIB Shares purchased as treasury shares, the said MUIB Shares may be dealt with in accordance with Section 127(7) of the Act.

An immediate announcement will be made to Bursa Securities upon purchase or resale of the MUIB Shares. In addition, the Company will announce whether the MUIB Shares purchased under the Proposed Share Buy-Back will be cancelled or retained as treasury shares or a combination of both. In the event that the Company ceases to hold all or any part of such shares as a result of the above actions, the Company may further purchase and/or hold such additional number of shares (in aggregate with the shares then still held by the Company) which shall not exceed 10% of the total number of issued shares of the Company for the time being quoted on Bursa Securities. The Company shall also include in its annual report, information with respect to the purchase of its own MUIB Shares.

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back is expected to potentially benefit the Company and its shareholders in the following manner:

- (i) if the MUIB Shares bought back are cancelled, the net earnings per share of MUIB would generally be envisaged to improve, thereby enhancing the value of shareholders' investment in the Company;
- (ii) if the MUIB Shares bought back are kept as treasury shares, it will give the Board an opportunity to sell the shares so purchased at a higher price or transfer the shares as purchase consideration for an acquisition, therefore improving the net assets of the Company;
- (iii) the Company may be able to stabilise the supply and demand of its shares in the open market, thereby supporting its fundamental value; and

- (iv) MUIB Shares bought back and retained as treasury shares can be distributed as share dividends to shareholders.

4. RISK FACTORS OF THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back, if implemented, will reduce the financial resources of the MUIB Group and may result in the MUIB Group forgoing other feasible investment opportunities that may emerge in the future. It may also result in a lower amount of cash reserves available for dividends to be declared to shareholders as funds would have been utilised to purchase MUIB Shares.

On the other hand, the financial resources of the MUIB Group may increase if the purchased MUIB Shares held as treasury shares are resold at prices higher than their purchase price.

The Board, in exercising any decision on the Proposed Share Buy-Back, will be mindful of the interests of the Company and its shareholders.

5. EFFECTS OF THE PROPOSED SHARE BUY-BACK

On the assumption that the Proposed Share Buy-Back is carried out in full, the effects of the Proposed Share Buy-Back on the share capital, net assets, working capital, earnings and dividends of MUIB are set out below:

5.1 Share Capital

On the assumption that the Proposed Share Buy-Back is carried out in full and all the MUIB Shares so purchased are cancelled, the total number of issued shares of the Company will be reduced as follows:

	No. of MUIB Shares
Existing total number of issued shares as at LPD	3,225,817,192
Less: Number of shares to be cancelled pursuant to the Proposed Share Buy-Back	322,581,719
Resultant total number of issued shares upon completion of the Proposed Share Buy-Back	2,903,235,473

If the MUIB Shares so purchased are retained as treasury shares, the total number of issued shares of the Company will not be reduced but the rights attaching to the treasury shares as to voting, dividend and participation in other distribution or otherwise will be suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares in the Company for any purpose whatsoever including substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

5.2 Net Assets

The effects of the Proposed Share Buy-Back on the net assets per share of the MUIB Group are dependent on the purchase price of the MUIB Shares.

If all the MUIB Shares purchased are cancelled, the Proposed Share Buy-Back is likely to reduce the net assets per share of the MUIB Group if the purchase price exceeds the net assets per share of the MUIB Group at the time of the purchase. Conversely, the net assets per share of the MUIB Group is likely to increase if the purchase price is less than the net assets per share of the MUIB Group at the time of the purchase.

For MUIB Shares so purchased which are kept as treasury shares, the net assets of the MUIB Group will, upon their resale, increase assuming that a gain has been realised or vice versa. Again, the quantum of the increase or decrease in net assets will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

5.3 Working Capital

The Proposed Share Buy-Back will reduce the working capital of the MUIB Group, the quantum of which depends on, amongst others, the number of MUIB Shares eventually purchased and the purchase prices of the MUIB Shares. The impact on the cash flow of the Company and the MUIB Group will be dependent on the number of MUIB Shares eventually purchased and the purchase prices of the MUIB Shares.

For MUIB Shares so purchased which are kept as treasury shares, the working capital of the Company will, upon their resale, increase assuming that a gain has been realised. Again, the quantum of the increase in the working capital will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

5.4 Earnings Per Share (“EPS”)

On the assumption that the MUIB Shares bought back are retained as treasury shares, the extent of the effect of the EPS of the MUIB Group will depend on the actual selling price, the number of treasury shares resold and the effective gain or interest savings arising.

If the shares so purchased are cancelled, the Proposed Share Buy-Back will increase the EPS of MUIB provided that the income forgone and/or interest expense incurred on the shares purchased is less than the EPS before the share buy-back.

5.5 Dividend

The Directors of MUIB did not propose any dividend for the financial year ended 30 June 2023. Any future dividends to be declared by the Company would depend on, amongst others, the profitability and cash flow position of the Group.

6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The effects of the Proposed Share Buy-Back (on the assumption that the Proposed Share Buy-Back of up to 10% of the total number of issued shares of MUIB is carried out in full) on the shareholdings of the Directors, substantial shareholders of MUIB and persons connected with them based on the Register of Directors' Shareholdings and Register of Substantial Shareholders will, for the purpose of illustration only, be as follows:

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Directors	No. of MUIB Shares held							
	Existing as at LPD				After the Proposed Share Buy-Back			
	Direct Interest	%	Indirect Interest	%	Direct Interest	%	Indirect Interest	%
Andrew Khoo Boo Yeow (Chairman and Chief Executive Officer)	-	-	-	-	-	-	-	-
Dato' Dr Tan Kee Kwong								
Farizon binti Ibrahim	-	-	-	-	-	-	-	-
Wong Nyen Faat	-	-	-	-	-	-	-	-
Dato' Dr Jessie Tang	-	-	-	-	-	-	-	-
Datuk Leong Kam Weng	-	-	-	-	-	-	-	-

Substantial Shareholders	No. of MUIB Shares held							
	Existing as at LPD				After the Proposed Share Buy-Back			
	Direct Interest	%	Indirect Interest	%	Direct Interest	%	Indirect Interest	%
KKP Holdings Sdn Bhd	-	-	1,335,355,289 ²	41.40	-	-	1,335,355,289 ²	46.00
Soo Lay Holdings Sdn Bhd	-	-	1,335,355,289 ³	41.40	-	-	1,335,355,289 ³	46.00
Tan Sri Dato' Khoo Kay Peng	-	-	1,335,355,289 ¹	41.40	-	-	1,335,355,289 ¹	46.00
Cherubim Investment (HK) Limited	297,848,487	9.23	81,239,433 ⁴	2.52	297,848,487	10.26	81,239,433 ⁴	2.80
Norcross Limited	300,154,836	9.30	81,239,433 ⁴	2.52	300,154,836	10.34	81,239,433 ⁴	2.80
Bonham Industries Limited	411,764,706	12.76	-	-	411,764,706	14.18	-	-
KKP Enterprises Sdn Bhd	244,347,827	7.57	-	-	244,347,827	8.42	-	-

Notes:

- 1 Deemed interested by virtue of his deemed substantial interest in Pan Malaysian Industries Berhad ("PMI"), Cherubim Investment (HK) Limited ("Cherubim"), Norcross Limited ("Norcross"), Bonham Industries Limited ("Bonham") and KKP Enterprises Sdn Bhd ("KKPE"). The interest in PMI is held by Cherubim, Norcross and Soo Lay Holdings Sdn Bhd ("Soo Lay"). The interest in Bonham is held by Soo Lay, KKP Holdings Sdn Bhd ("KKPH") and Norcross. The interest in KKPE is held by Soo Lay and KKPH. Cherubim and Norcross are associated companies of Soo Lay and KKPH, companies which are 99.9% owned by him.*
- 2 Deemed interested by virtue of its deemed substantial interest in PMI (held through Cherubim and Norcross) and its substantial interest in Bonham, Cherubim, Norcross and KKPE.*
- 3 Deemed interested by virtue of its substantial interest in PMI (held directly and indirectly through Cherubim and Norcross) and its substantial interest in Bonham, Cherubim, Norcross and KKPE.*
- 4 Deemed interested by virtue of its substantial interest in PMI.*

7. HISTORICAL SHARE PRICE

The table sets out the monthly highest and lowest prices of MUIB Shares as transacted on Bursa Securities for the past 12 months ended 30 September 2023 as follows:

2022	High (RM)	Low (RM)
October	0.100	0.085
November	0.140	0.080
December	0.090	0.075
2023		
Jan	0.085	0.075
February	0.085	0.070
March	0.075	0.060
April	0.070	0.060
May	0.065	0.055
June	0.065	0.050
July	0.065	0.055
August	0.065	0.055
September	0.070	0.055

The last transacted market share price on LPD, being the closing price of MUIB Shares at the latest practicable date prior to printing of this Statement was RM0.065.

(Source: Yahoo Finance)

8. PUBLIC SHAREHOLDING SPREAD

The Proposed Share Buy-Back will be carried out in accordance with the relevant laws prevailing at the time of the purchase including the compliance with 25% public shareholding spread as provided under the Listing Requirements.

As at LPD, the public shareholding spread of the Company was 58.59%. The Board is mindful of the requirement that any purchase of MUIB Shares by the Company must not result in the public shareholding spread of the Company falling below 25% of its total number of issued shares.

9. IMPLICATION OF THE CODE

Pursuant to the Code, if an acquirer holds more than 33% but less than 50% of the voting shares of a company and such acquirer acquires in any period of six months more than 2% of the voting shares of the company, there is an obligation to undertake a mandatory general offer for the remaining ordinary shares of the company not already owned by the acquirer.

In the event that the Company decides to purchase its own shares which will result in the substantial shareholders' shareholdings in the Company increasing by more than 2% in any period of 6 months ("Mandatory Offer Level"), the affected substantial shareholder(s) will seek an exemption from the Securities Commission under the Code before the Mandatory Offer Level is exceeded.

10. MAJOR SHAREHOLDERS' AND DIRECTORS' INTERESTS

Save for the inadvertent increase in the percentage shareholding as a consequence of the Proposed Share-Buy Back as disclosed in paragraph 6, to the best knowledge of the Directors, none of the Directors, major shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Share Buy-Back or in the resale of the treasury shares, if any.

11. PURCHASES, RESALE OR CANCELLATIONS OF MUIB SHARES IN THE PREVIOUS 12 MONTHS

The Company has not made any purchase, or resale of its own shares in the previous 12 months preceding the LPD. The Company currently does not hold any treasury share.

12. APPROVAL REQUIRED

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

13. DIRECTORS' RECOMMENDATION

Your Directors are of the opinion that the Proposed Share Buy-Back is in the best interest of the Company. Accordingly, they recommend that you vote in favour of the ordinary resolution to be tabled at the forthcoming AGM.

14. AGM

The 52nd AGM of the Company, the Notice of which is enclosed in the MUIB's 2023 Annual Report, will be held virtually through live streaming from the Broadcast Venue at Ballroom 1, Level 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 7 December 2023 at 4.00 p.m. for the purposes of considering and, if thought fit, passing the ordinary resolution on the Proposed Share Buy-Back.

If you are unable to attend and vote in person at the 52nd AGM, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible so as to arrive at the Share Registrar 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, OR by electronic form via TIIH Online website at <https://tiih.online>, not less than 48 hours before the time fixed for holding the 52nd AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

15. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I for further information.

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APPENDIX I

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

Your Directors have been seen and approved this Statement and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after having made 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.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection on weekdays during normal office hours (except for public holidays) at the registered Office of the Company at 189 Jalan Ampang 50450 Kuala Lumpur from the date of this Statement to the date of the 52nd AGM:

- (a) The Constitution of MUIB; and
- (b) Audited financial statements of MUIB for the past 2 financial years ended 30 June 2022 and 30 June 2023.

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