

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

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

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused the contents of this Circular to Shareholders ("Circular") prior to its issuance as it is an exempt document pursuant to the provisions of Practice Note 18 of Main Market Listing Requirements of Bursa Securities.

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**ARB BERHAD**  
**[Registration No. 199701033435 (448934-M)]**  
**(Incorporated in Malaysia)**

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

**PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES  
("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

The above proposal will be tabled as Special Business at the Twenty-Third (23<sup>rd</sup>) Annual General Meeting of ARB Berhad ("ARB" or "the Company") to be conducted virtually through live streaming from the broadcast venue at No. 17-02, Q Sentral, 2A, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia on Wednesday, 21 April 2021 at 8.30 a.m. or any adjournment thereof.

The Notice of the 23rd AGM and the Form of Proxy are set out in the Annual Report of ARB Berhad for the financial year ended 31 December 2020 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 at the Share Registrar of the Company at Mega Corporate Services Sdn Bhd, situated at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan, not less than 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 : Monday, 19 April 2021 at 8.30 a.m.

Date and time of Twenty-Third (23<sup>rd</sup>) Annual General Meeting : Wednesday, 21 April 2021 at 8.30 a.m.

*This Circular is dated 30 March 2021*

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## DEFINITIONS

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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”	: Twenty-Third (23 <sup>rd</sup> ) Annual General Meeting
“ARB” or “the Company”	: ARB Berhad [Registration No. 199701033435 (448934-M)]
“ARB Group” or “the Group”	: ARB Berhad and its subsidiary companies collectively
“ARB Share(s)” or “Share(s)”	: Ordinary Shares in ARB
“Board”	: The Board of Directors of ARB
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“CDS”	: Central Depository System
“Circular”	: Circular to Shareholders in relation to Proposed Renewal of Share Buy-Back Authority
“Code”	: The Malaysian Code on Take-Overs and Mergers 2016, including any amendments thereto that may be made from time to time
“Constitution”	: Constitution of ARB
“Director”	: Shall have the same 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 of ARB or any other company which is a subsidiary of ARB or a holding of ARB
“EPS”	: Earnings per Share
“ICPS”	: Irredeemable Convertible Preference Shares
“LPD”	: 5 March 2021, being the latest practicable date prior to the printing of this Circular
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time

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**DEFINITIONS (CONT'D)**

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- “Major Shareholder(s)” : Means a person who has an interest or interests in one or more voting shares in a company and the nominal amount of that share, or the aggregate of the nominal amounts 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 the Proposed Renewal of Share Buy-Back Authority, 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, such major shareholder of the company or any other company which is its subsidiary or holding company.

- “Market Day” : A day which Bursa Securities is open for the trading of securities

- “NA” : Net Assets attributable to ordinary equity holders of ARB

- “Person Connected” : Pursuant to Paragraph 1.01 of the Listing Requirements, a person connected in relation to a Director or Major Shareholder is a person who falls under any one of the following categories:
- (a) a family member of the Director or Major Shareholder which shall include the spouse, parent, child (including adopted child and stepchild), brother, sister, and the spouse of the child (including adopted child and stepchild), brother or sister;
  - (b) a trustee of a trust (other than a trustee for a share scheme for employees 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;

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**DEFINITIONS (CONT'D)**

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"Person Connected" (Cont'd)	(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 or persons connected with him are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; and
	(i)	body corporate which is a related corporation.
"Proposed Renewal of Share Buy-Back Authority"	:	Proposed renewal of the authority for the purchase by ARB of up to ten percent (10%) of the issued share capital of the Company
"Purchased ARB Shares"	:	Shares purchased by ARB pursuant to Section 127 of the Act
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"Shareholders"	:	Shareholders of ARB
"SC"	:	Securities Commission Malaysia
"Substantial Shareholder(s)"	:	A person who has interest or interests in one or more voting Shares in the Company and the nominal amount of that Share, or aggregate of the number of those shares, is not less than 5% of the aggregate of the nominal amount of all the voting Shares in the Company
"2020 Annual Report"	:	Annual Report of ARB issued for the financial year ended 31 December 2020

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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**TABLE OF CONTENTS**

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<b>LETTER TO THE SHAREHOLDERS CONTAINING:</b>	<b>PAGE</b>
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY	2
3. RATIONALE OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY	6
4. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY	7
5. INTEREST OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM	13
6. APPROVALS REQUIRED	13
7. HISTORICAL SHARE PRICES	13
8. DIRECTORS' RECOMMENDATION	13
9. ANNUAL GENERAL MEETING	14
10. FURTHER INFORMATION	14
APPENDIX I	15

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## **ARB BERHAD**

[Registration No. 199701033435 (448934-M)]  
(Incorporated in Malaysia)

### **Registered Office**

TB 8285, Lot 20C,  
Perdana Square Commercial Centre  
Mile 3½, Jalan Apas,  
91000 Tawau, Sabah  
Malaysia

30 March 2021

### **Board of Directors**

Datuk Junaidi Bin Datuk Haji Abdul Rahman	(Independent Non-Executive Chairman)
Dato' Sri Liew Kok Leong	(Executive Director)
Dato' Baharon Bin Talib	(Executive Director)
Khor Chin Meng	(Independent Non-Executive Director)
Khor Ben Jin	(Independent Non-Executive Director)

**To : The Shareholders of ARB Berhad**

Dear Sir/Madam,

### **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

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#### **1. INTRODUCTION**

At the AGM of the Company held on 20 May 2020, the Company sought and obtained the approval of its shareholders to purchase up to ten percent (10%) of the issued share capital of the Company at any point in time. The aforesaid shareholders' approval for the Company to purchase its own shares is subject to the annual renewal and will lapse at the conclusion of the forthcoming AGM unless such authority is renewed by an ordinary resolution passed at the general meeting.

On 3 March 2021, the Board has announced that ARB proposes to seek the approval of its shareholders for the renewal of the Company's authority to purchase up to 10% of the issued share capital of ARB. The Proposed Renewal of Share Buy-Back Authority is subject to compliance with Section 127 of the Act and any prevailing laws, orders, requirements, guidelines, rules and regulations issued by any relevant authorities at the time of purchase.

The purpose of this Circular is to provide you with the relevant information of the Proposed Renewal of Share Buy-Back Authority and to seek your approval for the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority which will be tabled at the forthcoming AGM of the Company, will be conducted virtually through live streaming from the broadcast venue at No. 17-02, Q Sentral, 2A, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia on Wednesday, 21 April 2021 at 8.30 a.m. The notice of the AGM together with the Form of Proxy is enclosed in the 2020 Annual Report of the Company for the financial year ended 31 December 2020.

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

The Board is proposing to seek the shareholders' approval for the renewal of the authority for ARB to purchase its own Shares for an aggregate amount of up to ten percent (10%) of the total issued share capital at any point in time.

For illustrative purposes, as at LPD, the total number of issued shares of ARB is comprising of 516,493,200 Shares and 558,857,300 ICPS. Based on the minimum scenario on the assumption that none of the ICPS are converted, the Proposed Renewal of Share Buy-Back Authority will then enable the Company to purchase up to 51,649,320 ARB Shares.

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 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. Rather, it will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period.

### 2.1 Maximum Amount of Funds to be Allocated and the Source of Funds

The Listing Requirements stipulate that the proposed purchase by a listed company of its own shares must be made wholly out of retained profits based on the latest annual audited financial statements and/or the latest management accounts (where applicable) of the listed company. Therefore, the maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back Authority shall not exceed the amount stated in the retained profits of the Company. The details of the retained profits of ARB are as follows:

	<b>Retained Profits (RM'000)</b>
Audited financial statement as at 31 December 2020	84,267

The Proposed Renewal of Share Buy-Back Authority will be funded by internally generated funds and/or external borrowings or a combination of both. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later

depending on, amongst others, the availability of internally generated funds, actual number of ARB Shares to be purchased and other relevant factors.

The actual number of ARB Shares to be purchased and/or held, and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock markets as well as the retained profits and financial resources available to the Company.

In the event that the Proposed Renewal of Share Buy-Back Authority is to be partly financed by external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment will not have a material effect on the cash flow of the Group. In addition, the Board will ensure that the Company satisfy the solvency test as stated in the Section 112(2) of the Act before execution of the Proposed Renewal of Share Buy-Back Authority.

## **2.2 Treatment of the Purchased ARB Shares**

The Purchased ARB Shares will be dealt by the Board in accordance with Section 127 of the Act, in the following manner:

- (i) cancel the ARB Shares so purchased; or
- (ii) to retain the ARB Shares so purchased as treasury shares which may be distributed as share dividends to the shareholders of ARB and/or be resold on Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be cancelled subsequently; or
- (iii) combination of items (i) and (ii) above.

The decision whether to retain the Purchased ARB Shares as treasury shares, or to cancel the Purchased ARB Shares or a combination of both, will be made by the Board at the appropriate time. An immediate announcement will be made to Bursa Securities on any purchase of Shares as well as any resale or cancellation of the Purchased ARB Shares.

If such Purchased ARB Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in rights, allotments and/or other distributions are suspended and the Purchased ARB Shares shall not be taken into account in calculating the number or percentage of shares or a class of shares in the Company for any purpose including determination of Substantial Shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on a resolution at meetings of the shareholders.

## **2.3 Purchase/Resale Price**

Pursuant to the Listing Requirements, ARB may only purchase ARB Shares at a price which is not more than fifteen percent (15%) above the weighted average share price for the past five (5) Market Days immediately preceding the date of the purchase(s). ARB may only resell the Purchased ARB Shares held as treasury shares at a price which is:

- (a) not less than the weighted average share price of ARB Shares for the five (5) Market Days immediately prior to the resale; or
- (b) at a discount of not more than 5% to the weighted average share price of ARB Shares for the five (5) Market Days immediately prior to the resale provided that:



- (i) the resale takes place no earlier than 30 days from the date of the purchase; and
- (ii) the resale price is not less than the cost of purchase of the shares being resold.

The proposed purchase of ARB's own Shares and/or resale of the Purchased ARB Shares shall only be effected on the market of Bursa Securities via its automated trading system and shall exclude any direct business transactions as defined in accordance with the rules of Bursa Securities. ARB shall ensure that all dealing(s) in its own Shares/Purchased ARB Shares are made through stock broker(s) appointed by ARB.

## **2.4 Potential Advantages and Disadvantages of the Proposed Renewal of Share Buy-Back Authority**

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

- (a) the Proposed Renewal of Share Buy-Back Authority would enable the Company to utilise its financial resources more efficiently especially where there is no immediate use and it may strengthen the consolidated EPS of the Group;
- (b) the Proposed Renewal of Share Buy-Back Authority will also provide the Company with opportunities for potential gains if the Purchased ARB Shares which are retained as treasury shares are resold at prices higher than their cost of purchase;
- (c) in any event, the Purchased ARB Shares retained as treasury shares may also be distributed as share dividends to the shareholders as a reward;
- (d) the Proposed Renewal of Share Buy-Back Authority may also stabilise the supply and demand of ARB Shares traded on Bursa Securities and reduce the volatility of the share prices. The stability of ARB Shares price is important to maintain investors' confidence and may also assist in facilitating future fund raising via the equity market; and
- (e) the treasury shares may also be utilised as purchase consideration by the Company in corporate transactions thereby reducing the financial outflow and/or preserve the working capital of the Company.

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

- (a) the Proposed Renewal of Share Buy-Back Authority if implemented is expected to temporarily reduce the immediate financial resources of ARB Group;
- (b) the Proposed Renewal of Share Buy-Back Authority may also result in the Group foregoing better investment opportunities which may emerge in the future and/or any income that may be derived from other alternative uses of such funds such as deposit in interest bearing instruments;
- (c) the Proposed Renewal of Share Buy-Back Authority may also reduce the amount of resources available for distribution to the shareholders of the Company in the form of dividends as funds are utilised to purchase its own Shares; and

- (d) in the event the purchase of existing shares is funded by bank borrowings, the Company's net cash flow may also decline due to the interest costs associated with such borrowings.

Nevertheless, the Proposed Renewal of Share Buy-Back Authority is not expected to have any potential material disadvantages to the Company and its shareholders, as it will be implemented only after careful consideration of the financial resources of the Group and its resultant impact. The Board is mindful of the interest of the Company and the shareholders and will be prudent with respect to the above exercise.

## **2.5 Public Shareholding Spread of ARB**

The Proposed Renewal of Share Buy-Back Authority is subject to the compliance with Section 127 of the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities ("Prevailing Law") at the time of the purchase. As at LPD, the public shareholding spread of the Company was approximately 88.75%. The Company will not undertake any share buy-back if that will result in breach of Paragraph 8.02(1) of the Listing Requirements which requires the Company to maintain a shareholding spread of at least 25% of its total listed shares. The Board is mindful of the shareholding spread requirement and will continue to be mindful of the requirement when making any purchase of ARB Shares by the Company.

## **2.6 Implication Relating to the Code**

Pursuant to the Code, a person and any parties acting in concert with him will be required to make a mandatory offer for the remaining ARB Shares not already owned by him/her/them if his/her/their stake in the Company is increased to beyond 33.0% or if his/her/their shareholdings is between 33.0% and 50.0% and increases by another 2.0% 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 concern 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.

## **2.7 Purchase, Resale and Cancellation of Shares Made in Previous Twelve (12) Months**

There were no purchase, resale and cancellation of shares made by ARB in the previous twelve (12) months preceeding the date of this Circular.

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### **3. RATIONALE OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

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 ARB Shares traded on Bursa Securities and thereby support its fundamental value;
- (ii) the EPS of ARB 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 ARB 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 ARB 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 ARB Shares held as treasury shares are resold at prices higher than the purchase price.

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#### 4. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The effects of the Proposed Renewal of Share Buy-Back Authority on share capital, NA, working capital, earnings and shareholdings of Directors and Substantial Shareholders of the Company are set out below:

##### 4.1 Share Capital

The effect of the Proposed Renewal of Share Buy-Back Authority on the total number of issued share of the Company will depend on whether the Purchased ARB Shares are cancelled or retained as treasury shares. The Proposed Renewal of Share Buy-Back Authority will result in a reduction of the total number of issued share of the Company if the Purchased ARB Shares are cancelled.

Based on the Company's total number of issued share as at LPD, the effect of the Proposed Renewal of Share Buy-Back Authority, assuming that the Purchased ARB Shares will be cancelled, are as follows:

- Scenario I** : Assuming that none of the 558,857,300 ICPS are converted  
**Scenario II** : Assuming that all of the 558,857,300 ICPS are converted at 20 ICPS to 1 ARB Shares  
**Scenario III** : Assume that all of the 558,857,300 ICPS are converted at 1 ICPS and RM0.19 to 1 ARB Shares

	<i>Scenario I</i>		<i>Scenario II</i>		<i>Scenario III</i>	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
<i>Existing total number of issued shares as at LPD</i>	516,493,200	100.000	516,493,200	94.868	516,493,200	48.030
<i>Shares to be issued pursuant to full conversion of ICPS</i>	-	-	27,942,865	5.132	558,857,300	51.970
<i>Enlarged total number of issued shares</i>	516,493,200	100.000	544,436,065	100.000	1,075,350,500	100.000
<i>Maximum number of ARB Share that may be purchased and cancelled pursuant to the Proposed Renewal Share Buy-Back Authority (assuming all Purchased ARB Shares are fully cancelled)</i>	(51,649,320)	(10.000)	(54,443,606)	(10.000)	(107,535,050)	(10.000)
<i>Resultant total number of issued share after cancellation of the Shares bought back</i>	464,843,880	90.000	489,992,459	90.000	967,815,450	90.000

However, the Proposed Renewal of Share Buy-Back Authority will have no effect on the total number of issued share of the Company if all the Purchased ARB Shares are to be retained as treasury shares, resold or distributed to the shareholders.

#### **4.2 NA**

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

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

#### **4.3 Working Capital**

The Proposed Renewal of Share Buy-Back Authority, as and when implemented, will reduce the working capital and cash flow of ARB Group, the quantum of which depends on, amongst others, the number of ARB Shares purchased and the purchase price(s) of the ARB Shares.

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

#### **4.4 Earnings and EPS**

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

#### **4.5 Dividends**

Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full and the dividend quantum is maintained at historical levels, the Proposed Renewal of Share Buy-Back Authority will have an effect of increasing the dividend rate per ordinary share of the Company as a result of the reduction in the issued share capital of the Company.

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#### 4.6 Directors' and Substantial Shareholders' Shareholdings

The tables below illustrates the direct and indirect interests of the Directors and Substantial Shareholder of ARB as at LPD assuming that the Proposed Renewal of Share Buy-Back Authority is implemented in full and all the shares so purchased are cancelled under the following scenarios:

**Scenario 1** : ARB purchases 51,649,320 ARB Shares, representing approximately ten per cent (10%) of the total number of issued shares of the Company as at the date, from parties other than our Directors and shareholders. Assuming that none of the ICPS held are converted.

Directors	As at the LPD <sup>(a)</sup>				After Proposed Renewal of Share-Buy Back ^			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Datuk Junaidi binti Datuk Abdul Rahman	-	-	-	-	-	-	-	-
Dato' Baharon Bin Talib	-	-	-	-	-	-	-	-
Dato' Sri Liew Kok Leong	52,552,165	10.175	5,569,700 <sup>(d)</sup>	1.078	52,552,165	11.305	5,569,700 <sup>(d)</sup>	1.198
Khor Chin Meng	-	-	-	-	-	-	-	-
Khor Ben Jin	-	-	-	-	-	-	-	-
<b><u>Substantial Shareholder</u></b>								
Dato' Sri Liew Kok Leong	52,552,165	10.175	5,569,700 <sup>(d)</sup>	1.078	52,552,165	11.305	5,569,700 <sup>(d)</sup>	1.198

Directors	As at the LPD <sup>(a)</sup>				After Proposed Renewal of Share-Buy Back <sup>^</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of ICPS held	%	No. of ICPS held	%	No. of ICPS held	%	No. of ICPS held	%
Datuk Junaidi binti Datuk Abdul Rahman	-		-	-	-	-	-	-
Dato' Baharon Bin Talib	-		-	-	-	-	-	-
Dato' Sri Liew Kok Leong	146,264,457	26.172 <sup>(e)</sup>	161,660,915 <sup>(d)</sup>	28.927 <sup>(e)</sup>	146,264,457	26.172 <sup>(e)</sup>	161,660,915 <sup>(d)</sup>	28.927 <sup>(e)</sup>
Khor Chin Meng	-		-	-	-	-	-	-
Khor Ben Jin	-		-	-	-	-	-	-
<b><u>Substantial Shareholder</u></b>								
Dato' Sri Liew Kok Leong	146,264,457	26.172 <sup>(e)</sup>	161,660,915 <sup>(d)</sup>	28.927 <sup>(e)</sup>	146,264,457	26.172 <sup>(e)</sup>	161,660,915 <sup>(d)</sup>	28.927 <sup>(e)</sup>

**Scenario 2** : ARB purchases 54,443,606 ARB Shares, representing approximately ten per cent (10%) of the total number of issued shares of the Company as at the date, from parties other than our Directors and Substantial Shareholders. Assuming that all of the ICPS are converted at 20 ICPS to 1 ARB shares

Directors	As at the LPD <sup>(b)</sup>				After Proposed Renewal of Share-Buy Back <sup>^</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Datuk Junaidi binti Datuk Abdul Rahman	-	-	-	-	-	-	-	-
Dato' Baharon Bin Talib	-	-	-	-	-	-	-	-
Dato' Sri Liew Kok Leong	59,865,387	10.996	13,652,745 <sup>(d)</sup>	2.508	59,865,387	12.218	13,652,745 <sup>(d)</sup>	2.786
Khor Chin Meng	-	-	-	-	-	-	-	-
Khor Ben Jin	-	-	-	-	-	-	-	-
<b><u>Substantial Shareholder</u></b>								
Dato' Sri Liew Kok Leong	59,865,387	10.996	13,652,745 <sup>(d)</sup>	2.508	59,865,387	12.218	13,652,745 <sup>(d)</sup>	2.786



**Scenario 3** : ARB purchases 107,535,050 ARB Shares, representing approximately ten per cent (10%) of the total number of issued shares of the Company as at the date, from parties other than our Directors and Substantial Shareholders. Assuming that all of the ICPS are converted at 1 ICPS and RM0.19 to 1 ARB shares

Directors	As at the LPD <sup>(c)</sup>				After Proposed Renewal of Share-Buy Back <sup>^</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Datuk Junaidi binti Datuk Abdul Rahman	-	-	-	-	-	-	-	-
Dato' Baharon Bin Talib	-	-	-	-	-	-	-	-
Dato' Sri Liew Kok Leong	198,816,622	18.489	167,230,615 <sup>(d)</sup>	15.551	198,816,622	20.543	167,230,615 <sup>(d)</sup>	17.279
Khor Chin Meng	-	-	-	-	-	-	-	-
Khor Ben Jin	-	-	-	-	-	-	-	-
<b>Substantial Shareholder</b>								
Dato' Sri Liew Kok Leong	198,816,622	18.489	167,230,615 <sup>(d)</sup>	15.551	198,816,622	20.543	167,230,615 <sup>(d)</sup>	17.279

**Notes:**

(a) Calculated based on total number of issued shares of 516,493,200 Ordinary Shares (please refer to Section 4.1 of this Circular for further details of the Share Capital).

(b) Calculated based on total number of issued shares of 544,436,065 Ordinary Shares (please refer to Section 4.1 of this Circular for further details of the Share Capital).

(c) Calculated based on total number of issued shares of 1,075,350,500 Ordinary Shares (please refer to Section 4.1 of this Circular for further details of the Share Capital).

(d) Deemed interested pursuant to Section 8 of the Companies Act, 2016 by virtue of his shareholding in Ukay One Sdn. Bhd.

(e) The percentage of ICPS holdings is computed based on the outstanding ICPS of 558,857,300 as at LPD.

<sup>^</sup> Assuming that the Proposed Renewal of Share Buy-Back is implemented in full, i.e. 10% of the total number of issued shares of the Company, and the purchased shares are cancelled under the respective scenarios.

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

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

**6. APPROVALS REQUIRED**

The Proposal are conditional upon the approval of the shareholders of the Company being obtained at the forthcoming AGM to be convened.

**7. HISTORICAL SHARE PRICES**

The monthly highest and lowest prices of ARB Shares traded on Bursa Securities for the past twelve (12) months from March 2020 to February 2021 are as follows:

	<b>Highest RM</b>	<b>Lowest RM</b>
<b>2020</b>		
March	0.245	0.095
April	0.305	0.145
May	0.420	0.275
June	0.370	0.280
July	0.340	0.290
August	0.370	0.285
September	0.325	0.245
October	0.280	0.245
November	0.315	0.245
December	0.290	0.260
<b>2021</b>		
January	0.310	0.255
February	0.460	0.260

The last transacted price of ARB Shares on 5 March 2021, being the LPD, was RM0.350

(Source:[https://www.bursamalaysia.com/trade/trading\\_resources/listing\\_directory/company-profile?stock\\_code=7181](https://www.bursamalaysia.com/trade/trading_resources/listing_directory/company-profile?stock_code=7181))

**8. DIRECTORS' RECOMMENDATION**

The Board after 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, reasonable and in the best interests of the Company and accordingly recommended that the shareholders of ARB vote in favour of the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming AGM.

## **9. ANNUAL GENERAL MEETING**

The resolution to vote on the Proposed Renewal of Share Buy-Back Authority are set out in the Notice of AGM contained in 2020 Annual Report of the Company. The Twenty-Third (23<sup>rd</sup>) AGM will be conducted virtually through live streaming from the broadcast venue at No. 17-02, Q Sentral, 2A, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia on Wednesday, 21 April 2021 at 8.30 a.m., for the purpose of considering and, if thought fit, passing the resolutions pertaining to the Proposed Renewal of Share Buy-Back Authority.

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the Form of Proxy enclosed in the 2020 Annual Report in accordance with the instructions printed therein as soon as possible so as to arrive at the Registrar Office of the Company not less than forty-eight (48) hours before the time set for the AGM.

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

## **10. FURTHER INFORMATION**

Shareholders are requested to refer to Appendix I contained in this Circular for further information.

Yours faithfully,  
For and on behalf of the Board of  
**ARB BERHAD**

**DATUK JUNAIDI BINTI DATUK HAJI ABDUL RAHMAN**  
**INDEPENDENT NON-EXECUTIVE CHAIRMAN**

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## **APPENDIX I – FURTHER INFORMATION**

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### **1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Directors of ARB 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**

As at the LPD, ARB and its subsidiaries have not entered into any material contracts (including contracts not reduced into writing), 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 ARB 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 ARB 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 ARB Group.

### **4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**

As at LPD, the Board is not aware of any material commitments and contingent liabilities incurred or known to be incurred which may have a material impact on the profits or NA of ARB Group upon becoming enforceable.

### **5. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection by the shareholders of ARB at the Registered Office of ARB at TB 8285, Lot 20C, Perdana Square Commercial Centre Mile 3½, Jalan Apas, 91000 Tawau, Sabah during normal office hours between Monday and Friday (except public holidays) from the date of this Circular up to and including the date of the AGM:

- (i) The Constitution of ARB; and
- (ii) The audited financial statements of ARB Group for the past two (2) financial years ended 31 December 2019 and 2020.