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**PINTARAS JAYA BERHAD**

Registration No. 198901012591 (189900-H)  
(Incorporated in Malaysia)

**STATEMENT TO SHAREHOLDERS**

**IN RELATION TO THE**

**PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE UP TO 10%  
OF ITS ISSUED AND PAID-UP SHARE CAPITAL**

The Notice convening the Thirty-Fourth Annual General Meeting (“AGM”) of the Company to be held at OWG, Inspire Ballroom, No. 10, Jalan Pelukis U1/46, Section U1, Temasya Industrial Park, Glenmarie, 40150 Shah Alam, Selangor Darul Ehsan on Friday, 20 October 2023 at 10.00 a.m. together with the Form of Proxy, are enclosed in the Annual Report of the Company for the financial year ended 30 June 2023.

A member entitled to attend and vote at the meeting is entitled to appoint proxy or proxies to attend and to vote on his/her behalf. In such event, the Form of Proxy must be lodged at the registered office of the Company at No. 8, Jalan Majistret U1/26, HICOM-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time fixed for holding the meeting or any adjournment thereof. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : 18 October 2023 at 10.00 a.m.

Date and time of the AGM : 20 October 2023 at 10.00 a.m.

This Statement is dated 22 September 2023

## DEFINITIONS

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

2023 Annual Report	: Annual Report of the Company for the financial year ended 30 June 2023
Act	: Companies Act 2016, as amended from time to time and any re-enactment thereof
AGM	: Annual General Meeting
Board	: Board of Directors
Bursa Securities	: Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
Code	: Malaysian Code on Take-Overs and Mergers, 2016, as amended from time to time and any other re-enactment thereof
Directors	: The directors of the Company and shall have the meaning given in Section 2 of the Act
EPS	: Earnings per share
LPD	: 25 August 2023, being the latest practicable date prior to the printing and of this Statement
MMLR	: Main Market Listing Requirements of Bursa Securities, and any amendments thereto
NA	: Net assets
PJB or the Company	: Pintaras Jaya Berhad [Registration No. 198901012591 (189900-H)]
PJB Group or the Group	: PJB and its subsidiaries
PJB Shares or Shares	: Ordinary share(s) in PJB
Proposed Share Buy-Back	: Proposed purchase by PJB of its own ordinary shares listed on Bursa Securities of up to 10% of its issued and paid-up share capital
Proposed Renewal of Share Buy-Back Authority	: Proposed renewal of authority for the Proposed Share Buy-Back
RM and sen	: Ringgit Malaysia and sen respectively
VWAP	: Volume weighted average market price

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 a corporation, unless otherwise specified.

All references to “the Company”, “our Company” and “PJB” in this Statement are to Pintaras Jaya Berhad, references to “our Group” and “the PJB Group” are to our Company and our subsidiaries and references to “we”, “us” and “our” are to our Company, save where the context otherwise requires, shall include our subsidiaries.

All references to “you” in this Statement are the shareholders of the Company.

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**PINTARAS JAYA BERHAD**  
Registration No. 198901012591 (189900-H)  
(Incorporated in Malaysia)

## **SHARE BUY-BACK STATEMENT**

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

#### **1. INTRODUCTION**

At the previous AGM of the Company held on 21 October 2022, the Company had obtained our shareholders' approval for the Proposed Share Buy-Back. The authority to undertake the share buy-back shall lapse at the conclusion of the forthcoming AGM, which has been scheduled to be held on 20 October 2023 unless the authority is renewed.

On 25 August 2023, PJB announced that the Company proposes to seek our shareholders' approval to renew the authority for the Company to purchase up to 10% of its issued and paid-up share capital at the forthcoming AGM.

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

At the AGM held on 21 October 2022, the Company had obtained our shareholders' approval for the Company to purchase its own shares up to a maximum of 10% of its issued and paid-up share capital, subject to the Act, MMLR and any prevailing laws, orders, requirements, guidelines, rules and regulations issued by the relevant authorities at the time of purchase. The Shares would be purchased from the open market through Bursa Securities. However, no Shares were purchased to date.

The Board now proposes to seek the renewal of authority from our shareholders to undertake the Proposed Share Buy-Back at the forthcoming AGM.

The authorisation, if given, shall be effective immediately upon the passing of the ordinary resolution relating thereto at the forthcoming AGM and shall continue to be in force until:-

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

whichever occurs first.

##### **2.1 Maximum Number of Shares to be Acquired**

The maximum number of ordinary shares which may be purchased by the Company shall not exceed 10% of its issued and paid-up share capital.

As at LPD, the issued and paid-up share capital of the Company comprises of 165,864,800 PJB Shares. The Proposed Share Buy-Back will enable the Company to purchase up to a maximum of 16,586,480 PJB Shares, representing 10% of the Company's issued and paid-up share capital.

## **2.2 Maximum amount of funds to be allocated and the source of funds**

Pursuant to the MMLR, the maximum amount of funds to be allocated for the Proposed Share Buy-Back will be subject to the retained profits of the Company. As at 30 June 2023, the audited retained profits of the Company was RM8,590,780.

The funding of the Proposed Share Buy-Back will be sourced from internally generated funds and/or bank borrowings, the proportion of which will depend on the quantum of purchase consideration as well as the availability of internally generated funds, borrowings and repayment capabilities of the Company at the time of the purchase. In the event that the Proposed Share Buy-Back is to be partly financed by bank borrowings, the Board will ensure that the Company will have sufficient funds to repay such borrowings and that the repayment would not have any material effect to the cashflow of the Group.

## **2.3 Treatment of Shares purchased**

In accordance with Section 127 of the Act, the Company would be able to deal with any PJB Shares so purchased by the Company in the following manner:-

- (i) to cancel the Shares so purchased;
- (ii) to retain the Shares so purchased in treasury; or
- (iii) to retain part of the Shares so purchased as treasury shares and cancel the remainder of the shares.

If the Board decides to retain the PJB Shares so purchased as treasury shares, it may distribute the treasury shares as dividends to the shareholders and/or resell the PJB Shares so purchased on Bursa Securities and realise the proceeds for any feasible investment opportunities arising in the future, or as working capital. The treatment of the PJB Shares so purchased and held as treasury shares, whether distributed as dividends, resold on Bursa Securities or cancelled by the Company, will in turn depend on the availability of the retained profits of the Company.

The treasury shares purchased or to be purchased pursuant to the Proposed Share Buy-Back shall not be entitled to any of the rights attached to the existing PJB Shares of the Company as to voting, dividends and participation in other distribution or otherwise. The aforesaid treasury shares shall not be taken into account in calculating the number of percentage of PJB Shares or as a class of shares in the Company for any purpose, including, without limiting the generality of this provision, the provision of any law or requirement of the Constitution of the Company or the MMLR on substantial shareholding, notices, the requisition of meetings, the quorum for a meeting and the results of a vote on a resolution at a meeting.

In the event that the Company decides to resell the Company's treasury shares, the Company will be required to release an announcement on the day the resale is made providing details of the description of the shares resold, the number of shares resold, the resale price of each share resold or, where relevant, the highest and lowest resale price and the total consideration received.

In the event that the Company decides to cancel the Company's treasury shares, the Company will release an announcement on the day the cancellation is made, providing details of the number of treasury shares cancelled, date of cancellation and the outstanding issued and paid-up share capital of the Company after the cancellation.

## **2.4 Purchase/Resale price**

In accordance with the MMLR, the Company may only purchase its own shares through Bursa Securities at a price which is not more than 15% above the VWAP for the Shares for the five (5) market days immediately before the purchase and the Company may only resell the treasury shares on Bursa Securities at:-

- (i) a price which is not less than the VWAP for the five (5) market days immediately before the resale; or
- (ii) a discounted price of not more than 5% to the VWAP for the five (5) market days immediately before the resale provided that the resale takes place not earlier than thirty (30) days from the date of purchase and that the resale price is not less than the cost of purchase of the Shares being sold.

## **2.5 Public shareholding spread of PJB**

The public shareholding spread of the Company based on the Record of Depositors of the Company as at LPD is 35.35%. Assuming the Company implements the Proposed Share Buy-Back in full, and all PJB Shares so purchased are held as treasury shares, the public shareholding spread of our Company will be reduced to 28.16%.

The Board will endeavour to ensure that the Company complies with the 25% public shareholding spread requirement under paragraph 8.02 (1) of the MMLR and shall not buy back its own shares if the purchase would result in the public shareholding spread requirements not being met.

## **3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK**

The renewal of the authority for the Company to purchase its own shares will enable the Company to utilise any of the PJB Group's surplus financial resources, which is not immediately required for other uses, to purchase its own Shares from the open market at market prices which the Board views favourable and to stabilise the supply and demand, thereby supporting the fundamental value of PJB Shares.

In addition, shares purchased pursuant to the Proposed Share Buy-Back will benefit the Company based on the following:-

- (i) if the purchased PJB Shares are subsequently cancelled, long-term investors are expected to enjoy a corresponding increase in the value of their investments in the Company with a proportionate strengthening of the EPS of PJB;
- (ii) the purchased PJB Shares can also be held as treasury shares and resold on Bursa Securities at a higher price therefore realising a potential gain without affecting the total issued and paid-up share capital of the Company; and
- (iii) should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

#### **4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK**

The potential advantages and disadvantages of the Proposed Share Buy-Back, if implemented, to the Company and its shareholders are as follows:-

##### Potential advantages:

- (i) Where the Directors resolve to cancel the Shares so purchased, PJB expects to enhance the EPS of the Group as a result of the reduction in issued and paid-up share capital of PJB, enabling investors to enjoy any potential corresponding increase in the value of their investments in PJB;
- (ii) As permitted under Section 127 of the Act, where the Shares bought back are retained as treasury shares, the Directors would have an option to distribute these Shares as dividends to reward shareholders; and
- (iii) PJB may be able to reduce any unwarranted volatility of its Shares and assist to stabilise the supply, demand and price of its Shares in the open market, thereby supporting the fundamental value of its Shares.

##### Potential disadvantages:

- (i) The Proposed Share Buy-Back, if implemented will reduce the financial resources of the Group and may result in the Group foregoing better investment opportunities that may emerge in the future or, at least, deprive PJB and the Group of interest income that can be derived from the funds utilised in the Proposed Share Buy-Back;
- (ii) Funds are utilised to purchase Shares which may also result in a lower amount of cash reserves available for dividends to be declared to shareholders; and
- (iii) In the event that the Proposed Share Buy-Back is funded by bank borrowings, the Group's net cashflow may decline to the extent of the interest costs associated with such borrowings.

However, the Proposed Share Buy-Back is not expected to cause any potential material disadvantage to PJB or its shareholders as any share buy-back exercise will be undertaken only after in-depth consideration of the financial resources of PJB and of the resultant impact on shareholders. The Directors, 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**

The effects of the Proposed Share Buy-Back on the issued and paid-up share capital, NA, working capital, earnings, EPS and shareholdings of Directors and substantial shareholders of the Company are set out below:-

##### **5.1 Issued and Paid-Up Share Capital**

The effects of the Proposed Share Buy-Back on the issued and paid-up share capital of the Company will depend on the intention of the Board with regards to the treatment of the purchased PJB Shares. If the purchased Shares are cancelled, the issued and paid-up share capital will be reduced by the number of Shares so cancelled. Conversely, if the purchased PJB Shares are retained as treasury shares, resold or distributed to the shareholders, the Proposed Share Buy-Back will not have any effect on the issued and paid-up share capital of the Company. Nevertheless, certain rights (such as voting rights) attached to the purchased PJB Shares will be suspended when held as treasury shares.

Assuming the Proposed Share Buy-Back is implemented in full and all the PJB Shares so purchased are cancelled, the effect on the minimum and maximum number of shares to be bought back as permitted under the Proposed Share Buy-Back on our issued and paid-up share capital as at LPD are illustrated below:-

	<b>No. of Shares</b>
Issued and paid-up share capital as at LPD	165,864,800
Maximum number of PJB Shares that may be purchased and cancelled under the Proposed Share Buy-Back	16,586,480
	<hr/>
Resultant Issued and paid-up share capital	<b>149,278,320</b>

## **5.2 Earnings**

The effects of the Proposed Share Buy-Back would depend on the purchase price(s) of the PJB Shares and the effective funding cost, if any, or any loss in interest income.

Assuming the purchased Shares are retained as treasury shares and resold, the effects on the earnings of the PJB Group will depend on the actual selling price(s), the number of the treasury shares resold, and the effective gain or interest savings arising from the exercise.

If the purchased Shares are cancelled, the Proposed Share Buy-Back will increase the EPS of the PJB Group provided that the income foregone and interest expenses incurred on the purchased Shares are less than the EPS prior to the Share Buy-Back.

## **5.3 NA**

The effects of the Proposed Share Buy-Back on the NA per Share will depend on the actual purchase price(s) of the PJB Shares. If all PJB Shares purchased are cancelled, the Proposed Share Buy-Back will reduce the NA per Share when the purchase price exceeds the NA per Share at the time of the purchase. Conversely, the NA per Share will increase when the purchase price is below the NA per Share at the time of the purchase.

The Proposed Share Buy-Back will reduce the working capital of the PJB Group, with the quantum depending on the purchase price(s) and the actual number of PJB Shares bought back.

The NA per Share will decrease if the purchased Shares are retained as treasury shares due to the accounting requirement for treasury shares to be carried at cost resulting in a decrease by the cost of the treasury shares.

If the treasury shares are subsequently resold through Bursa Securities, the NA per Share and working capital upon the resale will increase if the Company realises a gain from the resale, and vice-versa. If the treasury shares are distributed as dividends, the NA of the PJB Group will be reduced by the cost of the treasury shares.

## **5.4 Working Capital**

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



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

## **5.5 Dividends**

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

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## 5.6 Directors' and Shareholdings of Substantial Shareholders

The proforma effects of the Proposed Share Buy-Back on the shareholdings of the existing Directors and substantial shareholders as at LPD and assuming the Proposed Share Buy-Back is implemented in full and all the PJB Shares so purchased are cancelled, are illustrated below:-

	Number of Shares held as at LPD				Number of Shares held after the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Directors</b>								
Dr Chiu Hong Keong	24,315,720	14.66	72,286,976 <sup>(1)</sup>	43.58	24,315,720	16.29	72,286,976 <sup>(1)</sup>	48.42
Khoo Yok Kee	12,251,760	7.39	84,350,936 <sup>(2)</sup>	50.86	12,251,760	8.21	84,350,936 <sup>(2)</sup>	56.51
Chiu Wei Wen	198,500	0.12	-	-	198,500	0.13	-	-
Lim Chee Eng	-	-	-	-	-	-	-	-
Chiu Wei Siong	-	-	-	-	-	-	-	-
Phe Kheng Peng	-	-	-	-	-	-	-	-
Nurhalida Binti Dato' Seri Mohamed Khalil	-	-	-	-	-	-	-	-
<b>Substantial Shareholders</b>								
Pintaras Bina Sdn Bhd	59,836,716	36.08	-	-	59,836,716	40.08	-	-
Dr Chiu Hong Keong	24,315,720	14.66	72,286,976 <sup>(1)</sup>	43.58	24,315,720	16.29	72,286,976 <sup>(1)</sup>	48.42
Khoo Yok Kee	12,251,760	7.39	84,350,936 <sup>(2)</sup>	50.86	12,251,760	8.21	84,350,936 <sup>(2)</sup>	56.51
Urusharta Jamaah Sdn Bhd	11,352,100	6.84	-	-	11,352,100	7.60	-	-
Khoo Keow Pin	10,633,304	6.41	-	-	10,633,304	7.12	-	-

**Notes:-**

- (1) Deemed interest through his shareholding in Pintaras Bina Sdn Bhd and interest held by his spouse, Madam Khoo Yok Kee, and his son, Mr Chiu Wei Wen in PJB.
- (2) Deemed interest through her shareholding in Pintaras Bina Sdn. Bhd. and interest held by her spouse, Dr Chiu Hong Keong, and her son, Mr Chiu Wei Wen in PJB.

## **5.7 Implication of the Proposed Share Buy-Back in relation to the Code**

Pursuant to the Code, if the Proposed Share Buy-Back results in any one of the Directors and/or substantial shareholders and their respective parties acting in concert (“PACs”) obtaining control in the Company or if his/their existing shareholdings is between 33% and 50% of the voting shares of the Company and as a result of the Proposed Share Buy-Back, increase(s) his/their holding of the voting shares by more than 2% in any period of six (6) months, there is an obligation to extend a mandatory offer to acquire the remaining shares not already held by the director of the company and the PACs. However, an exemption from a mandatory offer obligation may be granted by the Securities Commission (“SC”) under the Code.

Based on the table set out in this Statement, the implementation of the Proposed Share Buy-Back may result in the direct shareholdings of Pintaras Bina Sdn Bhd, the substantial shareholder of PJB which is holding 36.08% of the voting shares of PJB, and the indirect shareholdings of Dr Chiu Hong Keong and Khoo Yok Kee to increase by more than 2% in any 6-month period. Should such circumstance arise, Pintaras Bina Sdn Bhd and its PACs (which includes Dr Chiu Hong Keong and Khoo Yok Kee) are expected to make the necessary application to the SC for an exemption from undertaking the mandatory offer under the Code before any buy-back of the Shares.

## **6. APPROVALS REQUIRED**

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

## **7. PURCHASE OF SHARES IN THE PRECEDING TWELVE (12) MONTHS**

The Company has not made any purchase of its own Shares in the previous twelve (12) months preceding the date of this Statement. As such, the Company does not have any treasury shares and has not resold, cancelled and/or distributed any treasury shares as dividend in the same period.

## **8. DIRECTORS’ AND MAJOR SHAREHOLDERS’ INTERESTS**

Save as disclosed in Section 5.6, none of the Directors, major shareholders of PJB and/or persons connected to them have interest, direct and/or indirect in the Proposed Share Buy-Back.

## **9. DIRECTORS’ RECOMMENDATION**

The Board, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is in the best interest of PJB and recommends the shareholders to vote in favour of the resolution to be tabled at the forthcoming AGM.

## **10. AGM**

The Thirty-Fourth AGM, the notice of which is set out in the 2023 Annual Report of the Company, will be held at OWG, Inspire Ballroom, No. 10, Jalan Pelukis U1/46, Section U1, Temasya Industrial Park, Glenmarie, 40150 Shah Alam, Selangor Darul Ehsan on Friday, 20 October 2023 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modification, the Ordinary Resolution pertaining to the Proposed Share Buy-Back, among others as set out in the Notice of the AGM.

If you are unable to attend and vote in person at the AGM, please complete and return the Form of Proxy enclosed in the 2023 Annual Report to No. 8, Jalan Majistret U1/26, HICOM-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, so as to arrive not later than forty-eight (48) hours before the time set for holding the AGM. The Form of Proxy should be completed in accordance with the instructions therein. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

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

**DR CHIU HONG KEONG**  
Chairman/Managing Director