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

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MATANG BERHAD

Registration No. 201501017043 (1142377-X)
(Incorporated in Malaysia)

STATEMENT TO SHAREHOLDERS IN RELATION TO

PROPOSED AUTHORITY FOR THE COMPANY TO UNDERTAKE A SHARE BUY-BACK OF UP TO TEN PERCENT (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES ("PROPOSED SHARE BUY-BACK")

The above proposal will be tabled as an ordinary resolution under Special Business at the 9th Annual General Meeting ("**AGM**") of the Company that will be conducted virtually through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2&3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia ("**Broadcast Venue**") using the Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("**TIIH**") via TIIH Online website at <https://tiih.online> on Wednesday, 22 November 2023 at 10.00 a.m. or any adjournment thereof. The Notice of AGM and the Proxy Form as set out in the Annual Report of the Company for financial year ended 30 June 2023, together with this Statement are available at the Company's website at: <https://www.matangbhd.com/annual-report/>.

A member entitled to attend, speak (including posing questions via real time submission of types texts) and vote (collectively "**participate**") at the AGM is entitled to appoint a proxy or proxies to participate on his/ her behalf. In such event, the Proxy Form must be lodged at the office of the Company's Share Registrar, 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 its 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 lodgement (please refer to the Administrative Guide for the AGM) via TIIH Online website at <https://tiih.online>, not less than forty-eight (48) hours before the time for holding the AGM or at any adjournment thereof. The lodging of the Proxy Form shall not preclude you from attending, participating, speaking and voting in person at the AGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Monday, 20 November 2023 at 10.00 a.m.

Date and time of the 9th AGM : Wednesday, 22 November 2023 at 10.00 a.m.

DEFINITIONS

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

"Act"	:	The Companies Act 2016
"AGM"	:	Annual General Meeting of the Company
"Board"	:	The Board of Directors of Matang
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"CDS"	:	Central Depository System
"Code"	:	Malaysia Code on Take-overs and Mergers 2016, including any amendments thereto that may be made from time to time
"Constitution"	:	Constitution of Matang
"Director(s)"	:	Has 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 6 months of the date on which the terms of the Proposed Share Buy-back were agreed upon:- (i) a director of Matang, its subsidiaries; and (ii) a chief executive of Matang, its subsidiaries
"EPS"	:	Earnings per Share
"FYE"	:	Financial year ended
"Huaren"	:	Huaren Holdings Sdn Bhd [Registration No. 197701000414 (31319-K)], a Major Shareholder of Matang
"Listing Requirements"	:	ACE Market Listing Requirements of Bursa Securities
"LPD"	:	3 October 2023, being the latest practicable date prior to the printing and despatch of this Statement
"Matang" or the "Company"	:	Matang Berhad [Registration No. 201501017043 (1142377-X)]
"Matang Group" or the "Group"	:	Matang and its subsidiaries, collectively
"Matang Shares" or "Shares"	:	Ordinary shares in Matang
"Major Shareholder(s)"	:	Means a person who has an interest or interests in one or more voting shares in a company and the number or 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.

DEFINITIONS (CONT'D)

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 Share Buy-Back, 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

"NA"	:	Net assets attributable to ordinary equity holders of Matang
"Proposed Share Buy-Back"	:	Proposed Authority for the Company to undertake a share buy-back of up to ten percent (10%) of its total number of issued shares
"Purchased Shares"	:	Shares purchased by Matang pursuant to the Proposed Share Buy-Back
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"SC"	:	Securities Commission Malaysia
"Shareholders"	:	Shareholders of Matang
"Statement"	:	Statement in relation to the Proposed Share Buy-Back
"Substantial Shareholder(s)"	:	A person who has interest or interests in one or more voting shares in the Company and the number or the aggregate number of such shares, is not less than 5% of the total number of all the voting shares in the Company

All references to "**we**", "**us**", "**our**" and "**ourselves**" are made to Matang, and where the context requires, shall include our subsidiaries.

All references to "**you**" or "**your(s)**" in this Statement are made to our Shareholders, who are entitled to attend and vote at the AGM.

Unless specifically referred to, words denoting incorporating the singular shall, where applicable include the plural and vice versa and words denoting incorporating the masculine gender shall where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day and date in this Statement shall be a reference to Malaysian time and date, respectively, unless otherwise specified. Any discrepancy in the figures included in this Statement between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

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MATANG BERHAD

Registration No. 201501017043 (1142377-X)
(Incorporated in Malaysia)

Registered Office

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

24 October 2023

Board of Directors

Dato' Foong Chee Meng (*Independent Non-Executive Chairman*)
Datuk Ir. Low Ah Keong (*Executive Director*)
Dato' Ng Keng Heng (*Executive Director*)
Sophia Lim Chia Hui (*Independent Non-Executive Director*)
Datuk Tew Boon Chin (*Independent Non-Executive Director*)
Datuk Teoh Sew Hock (*Non-Independent Non-Executive Director*)

To: Our Shareholders

Dear Sir/ Madam,

PROPOSED SHARE BUY-BACK

1. INTRODUCTION

On 29 August 2023, the Board announced the Company's intention to seek the Shareholders' approval for the Proposed Share Buy-Back.

The purpose of this Statement is to provide the Shareholders with the relevant information on the Proposed Share Buy-Back and to set out the view and recommendation of the Board as well as to seek the approval from the Shareholders for the resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming 9th AGM of the Company, to be held virtually through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2&3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia ("**Broadcast Venue**") using the Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("**TIIH**") via TIIH Online website at <https://tiih.online> on Wednesday, 22 November 2023 at 10.00 a.m. or at any adjournment thereof.

The Notice of AGM and the Proxy Form are enclosed in the Annual Report of the Company for FYE 30 June 2023 which are available together with this Statement at the Company's website at: <https://www.matangbhd.com/annual-report/>.

SHAREHOLDERS OF MATANG ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS STATEMENT TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK TO BE TABLED AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

2.1 Quantum

The Board is proposing to seek the approval of the Shareholders of the Company to purchase its own Shares up to ten per cent (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 in time subject to compliance with Section 113(5) and 127 of the Act, the Listing Requirements and prevailing laws at the time of purchase.

As at LPD, the Company's total issued share capital is RM245,070,549 comprising 2,389,200,276 Shares and hence, the Company may purchase and/or hold up to 238,920,027 Shares, representing not more than ten percent (10%) of the existing total number of issued Matang Shares of 2,389,200,276 Shares as at the LPD.

2.2 Duration of the Proposed Share Buy-Back

The Proposed Share Buy-Back, if approved by the Shareholders of Matang at the forthcoming AGM, shall be effective immediately from the date of the passing of the ordinary resolution for the Proposed Share Buy-Back and shall remain in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which time the authority shall lapse unless by an ordinary resolution passed at the meeting, the authority is renewed, 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) revoked or varied by an ordinary resolution passed by the Shareholders of the Company in the general meeting;

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines, and requirements issued by any relevant authorities.

The Proposed Share Buy-Back does not impose an obligation on the Company to purchase its own Shares. Rather, it will allow the Board to execute the power of the Company to purchase its own Shares at any time within the abovementioned time period.

2.3 Fundings

The Proposed Share Buy-Back may be funded through internally-generated funds and/or bank borrowings as long as the purchase is backed by an equivalent amount of retained profits of the Company, subject to compliance with prevailing laws.

If funded through internally generated funds, the purchase of the Shares pursuant to the Proposed Share Buy-Back is not expected to have a material impact on the cash flow position of the Company. In the event, the Proposed Share Buy-Back is to be financed by bank borrowings, the Board will ensure that the Company has the capacity to repay such borrowings and that such repayment will not have a material effect on the Company's cash flow.

The maximum amount of funds to be allocated for the Proposed Share Buy-Back shall not exceed the aggregate of retained profits of the Company based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available. The Company's latest audited retained profits as at 30 June 2023 was RM3,399,797.

As required under Section 112(2) of the Act, the Company shall perform solvency test to ensure the following conditions are meant:

- (a) the Share buy-back would not result in the Company being insolvent and its capital being impaired at the date of the solvency statement; and
- (b) the Company will remain solvent after each buy-back during the period of six (6) months after the due date of the declaration made by a majority of the Directors of the Company.

2.4 Pricing

Pursuant to Rule 12.17 of the Listing Requirements, the Company may only purchase its own Shares at a price which is not more than fifteen percent (15%) above the weighted average share price of Matang Shares for the five (5) market days immediately preceding the date of the purchase(s). The Company may only resell the Purchased Shares held as treasury shares at a price which is:

- (a) not less than the weighted average share price of Matang Shares for the five (5) market days immediately prior to the date of resale or transfer; or
- (b) at a discount of not more than five percent (5%) to the weighted average share price of Matang Shares for the five (5) market days immediately prior to the date of 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 the Matang Shares being resold or transferred.

2.5 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.

Based on the Record of Depositors of the Company as at LPD, the public shareholding spread of the Company was 72.85%. The Company will not undertake and shall ensure that it will not undertake any share buy-back if any of the purchase will result in public spread requirements being not met.

2.6 Treatment of the Purchased Shares

Pursuant to Section 127 of the Act where the Company has purchased any Shares, the Board may, at their discretion, resolve the following:

- (a) To cancel the Purchased Shares;
- (b) To retain the Purchased Shares;
- (c) To retain part of the Purchased Shares as treasury shares and cancel the remainder of the Purchased Shares;

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

- (a) distribute all or part of the treasury shares as dividends to the Shareholders of the Company;

- (b) resell all or part of the treasury shares in accordance with the relevant rules of Bursa Securities;
- (c) transfer all or part of the treasury shares for the purposes of or under the employees; share scheme established by the Company and/or its subsidiaries;
- (d) transfer all or part of the treasury shares as purchase consideration;
- (e) sell, transfer, or otherwise use the treasury shares for such other purposes as the Minister may by order prescribe; and/or
- (f) deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

As at the date of this Statement, the Board has yet to decide on the treatment(s) of the Purchased Shares and will take into consideration the effect of the treatment(s) on the Company and the Group in arriving on its decisions.

In the event the Company decides to purchase its own Shares pursuant to the Proposed Share Buy-Back, appropriate announcement will be made by the Company to Bursa Securities on the day of each purchase of its own Shares giving details including amongst others, the number of Shares and the price(s) of Shares purchased or where relevant the highest and lowest price paid, the total consideration paid and the treatment (e.g., held as treasury shares or proposed to be cancelled) for the Purchased Shares as decided by the Board.

If the Purchased Shares are held as treasury shares, the rights attaching to the Purchased Shares in relation to voting, dividends and participation in rights, allotments and/or other forms of distributions would be suspended. The treasury shares will not be taken into account in arriving at the number or percentage of Shares or of a class of Shares in the Company for the purposes of including determination of substantial shareholdings, take-overs, notices, requisition of meetings, quorum of meetings, and the result of a vote on a resolution at meetings of shareholders.

For Purchased Shares held as treasury shares, subsequent immediate announcements will be made by the Company to Bursa Securities upon each cancellation, resale or transfer of the treasury shares held upon such time when the Board reaches the decisions.

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back, if implemented, is envisaged to have the following potential benefits to the Company and its Shareholders:

- (a) The Company may be able to reduce the volatility of its share prices by stabilising the supply and demand of its Shares traded in the open market. The stability of the Share price may be important to maintain investors' confidence as well as facilitating future fund-raising exercises of the Company via equity market.
- (b) The Company shall be able to use its surplus financial resources not immediately required for other utilisation or purposes, more efficiently to stabilise the supply and demand of its Shares traded on Bursa Securities, thereby supporting its fundamental value.
- (c) Where the Purchased Shares are retained as treasury shares, such treasury shares may be resold in future by the Company for a gain or may be distributed as share dividends to the Shareholders, thereby benefiting the Shareholders.

- (d) Where the Purchased Shares or treasury shares are cancelled, the reduced capital base may enhance future EPS of the Company or the consolidated EPS of the Group.

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

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

- (a) The Proposed Share Buy-Back allows the Company to take swift actions and preventive measures against speculation that affects Share prices significantly without changes to the fundamentals of the Company or the Group. This will also restore or enhance investors' confidence in the Company or the Group.
- (b) It will reduce the volatility in the prices of the Shares and the effects of the same and can help the Company in safeguarding investors' confidence in the Company or the Group.
- (c) The distribution of treasury shares as share dividends or the transfer of the treasury shares for purposes under an employees' share scheme of the Company benefits either the Shareholders or the employees of the Company, both of which are two important group of stakeholders for the Company.
- (d) The purchase of Shares which reduces the capital base of the Company may potentially enhance EPS to the remainder of the Shareholders and also creates opportunities for capital gain from the re-sale of treasury shares.

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

- (a) The internally generated cash that is used for purposes of purchase of the Company's own Shares will reduce the available financial resources for other strategic investments (such as acquisitions of quality assets) and operational purposes (such as working capital to capitalise on low material costs) when opportunities of the same arise.
- (b) The Proposed Share Buy-Back if implemented to purchase Shares in the Company will also reduce the available resources for distribution to Shareholders as dividends.

The Proposed Share Buy-Back is not expected to have any potential material disadvantages to the Company and the Shareholders as the Board will implement with due consideration of the financial resources of the Group, the market conditions for the Shares as well as the solvency conditions after any purchases of the Shares. The Board shall be mindful of the interests of the Company and the Shareholders and will be prudent with respect of the implementation of the Proposed Share Buy-Back.

5. EFFECTS OF THE PROPOSED SHARE BUY-BACK

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

5.1 Issued Share Capital

The effect of the Proposed Share Buy-Back on the issued Share capital of Matang will depend on whether the Purchased Shares purchased are cancelled or retained as treasury shares.

Assuming the Proposed Share Buy-Back is approved by the Shareholders of Matang and the Purchased Shares are fully cancelled, the effects of the Proposed Share Buy-Back on the Company's total number of issued Shares are as follows:

	<u>No. of Shares</u>
Total no. of issued Shares as at LPD	2,389,200,276
Assuming the Proposed Share Buy-Back is implemented in full and are to be cancelled pursuant to the Proposed Share Buy-Back	(238,920,027)
Total no. of issued Shares after the cancellation of the Purchased Shares	<u>2,150,280,249</u>

In the event that all the Purchased Shares are to be retained as treasury shares or resold or distributed as share dividends, there shall be no effect of the implementation of the Proposed Share Buy-Back on the total number of issued Shares.

5.2 NA per Share and Working Capital

The effect of the Proposed Share Buy-Back on the NA of the Group will depend on the number of Purchased Shares, the price(s) paid for such Shares, the effective funding cost to the Group to finance (if applicable) the purchase of the Shares and any loss of interest income to the Group arising from the purchase of the Shares, and whether the Purchased Shares are cancelled or retained as treasury shares.

In the event all Purchased Shares are retained as treasury shares, the NA of the Group would be reduced by the purchase cost of the treasury shares because the treasury shares are required to be carried at cost and be offset against the equity.

In the event all the Purchased Shares are cancelled and/or the treasury shares retained (from the Purchased Shares) are cancelled and/or distributed as share dividends:

- (a) The NA per Share of the Group will be reduced if the purchase price(s) per Share exceeds the NA per Share at the relevant point in time of the purchase;
- (b) The NA per Share of the Group will be increased if the purchase price(s) per Share was/were lower than the NA per Share at the relevant point in time of the purchase.

In the event the Purchased Shares are resold, the NA per Share of the Group will increase if the Company realises a gain from the resale and vice versa.

The Proposed Share Buy-Back, if implemented, will nevertheless reduce the working capital and cash flows of the Group at such quantum which depends on, amongst others, the number of Shares purchased, the purchase price(s) of the Shares and any additional cost or incidental costs incurred in the purchase. If the Purchased Shares which are retained as treasury shares are resold, the working capital and cash flow of the Group would increase at such quantum which depends on, amongst others, the number of treasury shares resold and the selling price(s) of the treasury shares.

5.3 Earnings and EPS

All things being equal, the reduction in Matang Shares used in the computation of the EPS further to the purchase of Shares under the Proposed Share Buy-Back shall generally have a positive impact on the EPS of the Group for the FY in which the Shares are purchased.

In the event the Purchased Shares which are retained as treasury shares and resold at a later stage, the effect on the EPS of the Group shall depend on the selling price, the number of treasury shares resold and the effective gain or interest savings arising from the exercise.

In the event the Purchased Shares are cancelled, the EPS of the Group would increase provided that the income foregone and interest expenses incurred on the Purchased Shares is less than the EPS before the Proposed Share Buy-Back.

5.4 Dividends

All things being equal, if the Proposed Share Buy-Back is implemented in full and the Company's quantum of dividends is maintained at historical levels, the Proposed Share Buy-Back shall have a positive impact on the dividend rate of the Company.

The Proposed Share Buy-Back may have an adverse impact on the Company's dividend payout, if any, in the event the implementation reduces the cash available which may otherwise be used for dividend payment. Nevertheless, the implementation of the Proposed Share Buy-Back is restricted by the available retained earnings of the Company and subject to the solvency conditions of the Group being observed by the Board at all times.

5.5 Directors' and Substantial Shareholders' Shareholdings

Based on the Register of Directors' Shareholdings and Register of Substantial Shareholders as at LPD, assuming that the Proposed Share Buy-Back is implemented in full and that all the Purchased Shares are cancelled, the effect of the Proposed Share Buy-Back on the shareholdings of the existing Directors and Substantial Shareholders of Matang are set out below.

	As at LPD ^{&}				After the Proposed Share Buy-Back [@]			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Substantial Shareholders								
Huaren	400,852,100	16.78	-	-	400,852,100	18.64	-	-
Ang Kian You	206,235,800	8.63	-	-	206,235,800	9.59	-	-
Malaysian Chinese Association	-	-	422,670,200 [#]	17.69	-	-	422,670,200 [#]	19.66
Directors								
Dato' Foong Chee Meng	-	-	-	-	-	-	-	-
Datuk Ir. Low Ah Keong	-	-	-	-	-	-	-	-
Dato' Ng Keng Heng	9,000	[^]	-	-	9,000	[^]	-	-
Sophia Lim Chia Hui	-	-	-	-	-	-	-	-
Datuk Tew Boon Chin	-	-	-	-	-	-	-	-
Datuk Teoh Sew Hock	10,028,000	0.42	-	-	10,028,000	0.47	-	-

Notes:

[@] assuming the Proposed Share Buy-Back is implemented in full and all Shares so purchased (i.e., 238,920,027 Shares) are fully cancelled

[#] deemed interested by virtue of its shareholdings in Huaren and Rohua Sdn Bhd pursuant to Section 8 of the Act

[^] less than 0.01%

5.6 Implication of 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 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 existing shareholdings is between 33% and 59% and exceeds 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 under the Code.

As the Board has no intention for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory general offer under the Code by any of its Major and/or

Substantial Shareholders and/or parties acting in concert with them, the Board will ensure that only such number of Shares are purchased, retained as treasury shares, cancelled or distributed such that the Code will not be triggered. The Board will be mindful of the requirements of the Code when implementing the Proposed Share Buy-Back.

6. INTEREST OF DIRECTORS' AND/ OR MAJOR SHAREHOLDERS' SHAREHOLDINGS AND/ OR PERSONS CONNECTED TO THEM

None of the Directors and/or Major Shareholders of the Company and/or persons connected to them have any interest, either direct or indirect, in the Proposed Share Buy-Back.

7. APPROVALS REQUIRED

The Proposed Share Buy-Back is conditional upon the approval of the Shareholders of the Company being obtained in the forthcoming AGM to be convened.

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

Matang does not have an existing authority to purchase its own Shares as this is the first time the Company is seeking approvals from the Shareholders for the Proposed Share Buy-Back. Hence, Matang does not currently hold any treasury shares and has not purchased, resold, transferred or cancelled any Shares in the preceding twelve (12) months.

9. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of Matang Shares as traded on Bursa Securities for the last twelve (12) months from October 2022 to September 2023 are as follows:

	High RM	Low RM
2022		
October	0.098	0.083
November	0.098	0.088
December	0.098	0.085
2023		
January	0.095	0.085
February	0.095	0.085
March	0.090	0.080
April	0.095	0.080
May	0.095	0.085
June	0.095	0.080
July	0.095	0.080
August	0.090	0.085
September	0.100	0.085

(Source: Bloomberg)

The last transacted share price of Matang Shares on 20 October 2023 (being the latest practicable date before printing the Statement) was RM0.090.

10. 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 fair, reasonable and in the best interests of the Company and accordingly recommended that the Shareholders of Matang vote in favour of the ordinary resolution for the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

11. FURTHER INFORMATION

Shareholders are advised to refer to the attached Appendix I for additional information and Appendix II for the Extract of the AGM Notice in relation to the Proposed Share Buy-Back.

Yours faithfully,
For and on behalf of the Board of
MATANG BERHAD

DATO' FOONG CHEE MENG
Independent Non-Executive Chairman

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. MATERIAL CONTRACTS

Save for as disclosed below, Matang 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 LPD:

- (a) On 10 February 2023, Matang had entered into a conditional sale and purchase agreement ("SPA") with Star Media Group Berhad ("Star Media") and SMG Land Sdn Bhd ("SMG Land"), a wholly-owned subsidiary of Star Media to acquire two (2) units of double-storey semi-detached factory and warehouse annexed with a one-and-a-half (1 ½) storey office building and other ancillary buildings to be erected upon part of the land held under Geran 204624, Lot 78658, Mukim Damansara, Daerah Petaling, Negeri Selangor ("Property") for a total purchase consideration of RM33,000,000 to be satisfied via the allotment and issuance of 357,000,000 new ordinary shares in Matang to SMG Production & Distribution Sdn Bhd, a wholly-owned subsidiary of the SMG Land at an issue price of RM0.0809 each and cash payment amounting to RM4,118,700.

However, the Company received a request from Star Media on 14 July 2023 to mutually terminate the SPA as Star Media was not able to secure its shareholders' approval at its Extraordinary General Meeting on 31 May 2023 for the proposed disposal of the Property to Matang and they do not foresee their ability to have the same resolution passed. On 17 July 2023, the Company had written to Star Media to state its agreement to mutually terminate the SPA with effect from 17 July 2023, the announcement of which has been made on even date. Further to the mutual termination of the SPA on 17 July 2023, Star Media and SMG Land shall have no further claims against Matang in respect of the SPA.

- (b) On 2 May 2023, Matang had entered into a Share Sale Agreement with the a conditional share sale agreement ("SSA") with Tan Chor Wee, Teyu Soo Moi, Lim Pon Chuan, Bu Yau Hoi, Tan Yu Kung, Tan Yue Teck, Tan Yew Hock, Tan Yu Chuan, Tew Han Kiong and Ngah Seng Moe (collectively referred to as the "Sellers") for the proposed acquisition of 2,500,000 shares in Greencode Farm Sdn Bhd ("GFSB") ("Sale Share(s)"), representing 100% equity interest in GFSB for a purchase consideration of RM30,566,196.61 ("Purchase Consideration") to be satisfied entirely via cash ("Proposed Acquisition").

Subsequently on 25 July 2023, the conditions precedent under the SSA have been fulfilled and the Purchase Consideration had been settled in full by Matang on even date in accordance with the terms of the SSA. Hence, the completion of the Proposed Acquisition has taken place on 25 July 2023.

3. MATERIAL LITIGATION

As at the LPD, Matang is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and does not have any knowledge of any proceedings, pending or threatened against the Company or any company within the Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of the Company or the Group.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection by the Shareholders of Matang at the Registered Office of Matang at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur during normal office hours between Monday and Friday (except public holidays) from the date of this Statement up to and including the date of the AGM:

- (a) The Constitution of Matang; and
- (b) The audited financial statements of Matang Group for the financial years ended 30 June 2022 and 30 June 2023.

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MATANG BERHAD
201501017043 (1142377-X)
(Incorporated in Malaysia)

EXTRACT OF NOTICE OF THE NINTH ANNUAL GENERAL MEETING

SPECIAL BUSINESS

ORDINARY RESOLUTION 8

PROPOSED AUTHORITY FOR SHARE BUY-BACK

“THAT subject always to the Act, the Constitution of the Company, the Listing Requirements of Bursa Securities and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities pursuant to the Listing Requirements upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- a. the aggregate number of issued shares in the Company (“Shares”) purchased (“Purchased Shares”) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- b. the maximum fund to be utilised by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

(“Proposed Share Buy-Back”).

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

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

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in

the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- i. To cancel all or part of the Purchased Shares;
- ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- iv. To resell all or part of the treasury shares;
- v. To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- vi. To transfer all or part of the treasury shares as purchase consideration;
- vii. To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
- viii. To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient, including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties, to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities.”

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