

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 adviser immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused the contents of this Circular pertaining to the proposed renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as set out in Part A of this Circular prior to its issuance pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



MATRIX CONCEPTS HOLDINGS BERHAD

(Registration No. 199601042262 (414615-U))
(Incorporated in Malaysia)

PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

PART B

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED BONUS ISSUE OF UP TO 417,116,178 NEW ORDINARY SHARES IN MATRIX CONCEPTS HOLDINGS BERHAD ("MCHB") ("MCHB SHARES" OR "SHARES") ("BONUS SHARES") ON THE BASIS OF 1 BONUS SHARE FOR EVERY 2 EXISTING MCHB SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER

Principal Adviser for Part B



RHB Investment Bank Berhad

(Registration No. 197401002639 (19663-P))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The 25th Annual General Meeting ("**25th AGM**") of MCHB ("**Company**") is scheduled to be conducted on a fully virtual basis through live-streaming via remote participation and voting facilities using Vote2U at <https://web.vote2u.my> (Domain Registration No. with MYNIC - D6A471702) provided by Agmo Digital Solutions Sdn Bhd in Malaysia on Friday, 26 August 2022 at 10.00 a.m.

The Notice of the 25th AGM and the Proxy Form as set out in the Integrated Annual Report 2022 of the Company together with this Circular and Administrative Guide for the 25th AGM are all available at <https://www.mchb.com.my/investor-relations/general-meetings/>. Shareholders are advised to refer to the Notice of the 25th AGM and the Administrative Guide for the procedures as set out therein.

If you wish to appoint a proxy to attend, participate and vote on your behalf at the 25th AGM, you may deposit your Proxy Form at Wisma Matrix, No. 57, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan. Alternatively, the submission of the Proxy Form can be made through electronic lodgement not less than forty-eight (48) hours before the time fixed for holding the 25th AGM or any adjournment thereof. The lodgement of the Proxy Form will not preclude you from attending, participating and voting at the meeting should you subsequently decide to do so. For electronic lodgement of the Proxy Form, please also follow the procedures as set out in the Administrative Guide.

Last date and time for lodging the Proxy Form : Wednesday, 24 August 2022 at 10.00 a.m.

Date and time of the 25th AGM : Friday, 26 August 2022 at 10.00 a.m.

This Circular is dated 28 July 2022

PART A

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF
SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A
REVENUE OR TRADING NATURE**

DEFINITIONS

Unless the context otherwise requires, the following definitions shall apply throughout Part A of this Circular:-

24 th AGM	:	Twenty-Fourth Annual General Meeting
25 th AGM	:	Twenty-Fifth Annual General Meeting
Act	:	The Companies Act 2016 as amended from time to time and any re-enactment thereof, including all regulations issued thereunder
Administrative Guide	:	Administrative Guide for 25 th AGM
AGM	:	Annual General Meeting
Annual Report 2022	:	Integrated Annual Report of MCHB issued for the financial year ended 31 March 2022
Approved Estimated Value	:	Estimated value of RRPT which was approved by shareholders at the 24 th AGM held on 19 August 2021
Audit Committee	:	Audit Committee of the Company
Board	:	The Board of Directors of MCHB
BSSD	:	BSS Development Sdn Bhd [Registration No. 200501012590 (689638-X)]
Bursa Securities	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
Circular	:	This Circular is dated 28 July 2022
Director(s)	:	Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act 2007
Interested Director	:	Director who is deemed interested in the RRPTs by virtue of his relationship with the Related Party/ies
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities as amended from time to time and any re-enactment thereof
LPD	:	30 June 2022, being the latest practicable date prior to the printing of this Circular
Major Shareholder(s)	:	Any person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is – a) 10% or more of the total number of voting shares in the corporation; or b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation. For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act.
Matrix Excelcon	:	Matrix Excelcon Sdn Bhd [Registration No. 199301013484 (268222-A)]
MCHB Group or the Group	:	MCHB and its subsidiary companies as defined in Section 6 of the Act

DEFINITIONS (Cont'd)

MCHB or the Company	:	Matrix Concepts Holdings Berhad [Registration No. 199601042262 (414615-U)]
Ordinary Resolution	:	The ordinary resolution pertaining to the Proposed Shareholder's Mandate for RRPT
Person(s) Connected	:	This shall have the same meaning as in Chapter 1, Paragraph 1.01 of the Listing Requirements
Proposed Mandate	:	The estimated value for RRPT which are expected to be incurred from this AGM until the date of next AGM
Proposed Renewal of Shareholders' Mandate	:	Proposed renewal of shareholders' mandate for the RRPT, as detailed under Section 2.1.4 of Part A of this Circular
Recurrent Related Party Transaction(s) or RRPT(s)	:	Related Party Transactions involving recurrent transactions of revenue or trading nature which are necessary for day to day operations and are in the ordinary course of business of the MCHB Group
Reka Group	:	Reka Homes, RekaLight Sdn Bhd and Reka International Industries (M) Sdn Bhd
Related Party(ies)	:	A director, major shareholder or person connected with such director or major shareholder. For the purpose of this definition, "director" and "major shareholder" shall have the meanings given in Paragraph 10.02 of the Listing Requirements
RM and sen	:	Ringgit Malaysia and sen respectively
Share(s)	:	Ordinary shares in MCHB
Shareholder(s)	:	Shareholders of MCHB
Shareholders' Mandate	:	The shareholders' mandate for the MCHB Group to enter into RRPTs with the Related Parties

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

Reference to persons shall include corporations, unless otherwise specified.

Any reference to "you" in Part A of this Circular are to the Shareholders.

Any discrepancies in the tables included in Part A of this Circular between amounts listed, actual figures and totals thereof may be due to rounding.

Any reference in Part A of this Circular to any enactment is a reference to that enactment or guidelines as for the time being amended or re-enacted.

Any reference to a time of day in Part A of this Circular shall be reference to Malaysia time, unless otherwise stated.

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MATRIX CONCEPTS HOLDINGS BERHAD

Registration No. 199601042262 (414615-U)
(Incorporated in Malaysia)

Registered Office:

Wisma Matrix
No. 57, Jalan Tun Dr. Ismail
70200 Seremban
Negeri Sembilan
Malaysia

28 July 2022

Board of Directors:

Dato' Haji Mohamad Haslah Bin Mohamad Amin (*Non-Independent Non-Executive Chairman*)
Dato' Seri Lee Tian Hock (*Group Executive Deputy Chairman*)
Mr Ho Kong Soon (*Group Managing Director*)
Dato' Logendran A/L K Narayanasamy (*Non-Independent Non-Executive Director*)
Encik Mazhairul Bin Jamaludin (*Independent Non-Executive Director*)
Dato' Hon Choon Kim (*Independent Non-Executive Director*)
Dato' Hajah Kalsom Binti Khalid (*Independent Non-Executive Director*)
Ms Chua See Hua (*Independent Non-Executive Director*)
Ms Loo See Mun (*Independent Non-Executive Director*)

To : The Shareholders of MCHB

Dear Sir/Madam

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

1.1 Proposed Shareholders' Mandate for RRPT

At the 24th AGM held on 19 August 2021, the Company had obtained a mandate from its shareholders to enter into RRPT with Related Parties which are necessary for its day to day operations and are in the ordinary course of business based on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not to the detriment of minority shareholders.

The abovesaid mandate shall lapse at the conclusion of the forthcoming 25th AGM of the Company unless a new mandate for RRPT is obtained from the shareholders at the AGM. On 28 June 2022, the Board announced to Bursa Securities that the Company proposed to seek a renewal of the Shareholders' Mandate for MCHB Group to enter into RRPT with Related Parties at the forthcoming 25th AGM.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF PART A OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPT.

2. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPT OF A REVENUE OR TRADING NATURE

Pursuant to Paragraph 10.09 of Part E of Chapter 10 of the Listing Requirements, a listed issuer may seek a shareholders' mandate in respect of the RRPT subject to, inter-alia, the following:

- (a) The transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public;
- (b) The shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed below in relation to a listed issuer with a share capital of RM60 million and above:-
 - (i) the consideration, value of assets, capital outlay or costs of the RRPT is RM1 million or more; or
 - (ii) the percentage ratio of such RRPT is 1% or more,whichever is the higher;
- (c) The Circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft Circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) In a meeting to obtain the shareholders' mandate, the Interested Director, Interested Major Shareholder or interested person connected with a Director or Major Shareholder; and where it involves the interest of an interested person connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution to approve the transactions. An Interested Director or Interested Major Shareholder must ensure that Persons Connected with him abstain from voting on the resolution approving the transaction; and
- (e) The listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer exceeds the estimated value of the RRPT disclosed in the Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

The Board wishes to seek the approval from the shareholders of MCHB for the Proposed Renewal of Shareholders' Mandate to enable the Group to enter into RRPTs which are necessary for the day-to-day operations within the ordinary course of business of the Group. The RRPTs, details as stipulated in Sections 2.1.4 of Part A of this Circular, are undertaken at arms' length based on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The Proposed Renewal of Shareholders' Mandate will, if approved by the shareholders at the forthcoming 25th AGM, be subjected to annual renewal. Any authority conferred by shareholders in respect of the Proposed Renewal of Shareholders' Mandate shall continue to be in force until:

- (i) the conclusion of the Twenty-Sixth Annual General Meeting ("26th AGM") of MCHB, at which time the said authority will lapse, unless the authority is renewed by a resolution passed thereat; or

- (ii) the expiration of the period within which the next AGM of MCHB is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by a resolution passed by the shareholders in a general meeting before the next AGM;

whichever is the earlier.

2.1 DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPT

MCHB is seeking approval from the shareholders for the Proposed Renewal of Shareholders' Mandate for RRPTs that will allow the Group, in its normal course of business, to enter into RRPTs with Related Parties referred to in the following section.

2.1.1 Principal Activities of MCHB Group

The principal activities of MCHB is investment holding. The subsidiary companies of MCHB and their principal activities are as set out below:-

Name of Company	Effective Interest Held (%)	Principal Activities
BSS Development Sdn Bhd	100	Property development
Masuda Corporation Sdn Bhd	100	Property development and investment holding
Matrix Concepts Sdn Bhd	100	Property development and investment holding
MCHB Natro' Green Sdn Bhd	100	Property development
MGE Development Sdn Bhd	100	Property development
Matrix Concepts (NS) Sdn Bhd	100	Property development
Matrix Concepts (Central) Sdn Bhd	100	Property development and investment holding
Matrix Concepts (Southern) Sdn Bhd	100	Property development
Matrix Properties Sdn Bhd	100	Property investment and investment holding
Matrix Excelbuilder Sdn Bhd	100	Investment holding
Matrix Concepts (Damansara) Sdn Bhd	100	Property development
Matrix Project Management Sdn Bhd	100	Project management and administrative services
Matrix Country Club Sdn Bhd	100	Clubhouse operator
Matrix Hotels Management Sdn Bhd	100	Hotel management and hospitality services
Matrix Excelcon Sdn Bhd	100	General contractors
Matrix Exceltrading Sdn Bhd	100	General construction and trading house (Dormant)
MCHB Development (NS) Sdn Bhd	100	Property development
MCHB Development (KV) Sdn Bhd	100	Property development
MCHB Development (Southern) Sdn Bhd	100	Property development
Matrix IBS Sdn Bhd	100	Manufacturing the prefabricated building materials using the technology of the Industrialised Building System (IBS)
Matrix Realty Management Sdn Bhd	100	Property management services
Matrix Healthcare Sdn Bhd	100	Provision of healthcare services and investment holding
Matrix Concepts (Cheras) Sdn Bhd	100	Property development

Name of Company	Effective Interest Held (%)	Principal Activities
Matrix Educare Sdn Bhd	51	Provision of education services
Matrix Medicare Sdn Bhd	70	Provision of healthcare services
Matrix Development (Australia) Pty Ltd	100	Investment holding
Matrix Greenvale (Australia) Pty Ltd	100	Property development
Matrix 333 St Kilda (Australia) Pty Ltd	100	Property development
Matrix Property Management (Australia) Pty Ltd	100	Management of defect works and rental guarantees for completed group property development
PT Matrix Perkasa Indonesia	100	Property development
N9 Matrix Development Sdn Bhd	100	Property development

It is anticipated that the Group would, in the ordinary course of business, enter into RRPTs as detailed in Section 2.1.4 of Part A of this Circular which are necessary for the day-to-day operations of the Group with the Related Parties below which are likely to occur with some degree of frequency and could arise at any time.

Accordingly, the Board proposes to seek shareholders' approval on the Proposed Renewal of Shareholders' Mandate for the Group to enter into RRPTs with the Related Parties below, provided such transactions are necessary for its day-to-day operations, in the ordinary course of business, undertaken at arms-length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public, and are not detrimental to the minority shareholders of the Company. Such RRPTs will also be subject to the review procedures as set out in Section 2.2 of Part A of this Circular.

2.1.2 Related Parties

The Proposed Renewal of Shareholders' Mandate will apply to RRPTs with the following Related Parties:-

Related Party	Principal Activities	Interested Director/Major Shareholder or person connected	Nature of Relationship
Y&Y Mix Sdn Bhd	Supply ready mix concrete	Datin Seri Yong Chou Lian and Dato' Seri Lee Tian Hock Yong Moi Noi Yong Ghee Kiat, Yong Ing Kiat, Yong Ah Chek and Yong Hwah Kiat	Datin Seri Yong Chou Lian, who is a substantial shareholder of Y&Y Mix Sdn Bhd, is a shareholder of the Company and the spouse of Dato' Seri Lee Tian Hock. Yong Moi Noi, who is a director of Y&Y Mix Sdn Bhd, is the sister-in-law of Dato' Seri Lee Tian Hock. Yong Ghee Kiat, Yong Ing Kiat, Yong Ah Chek and Yong Hwah Kiat who are substantial shareholders of Y&Y Mix Sdn Bhd, are the brothers-in-law to Dato' Seri Lee Tian Hock.

Related Party	Principal Activities	Interested Director/Major Shareholder or person connected	Nature of Relationship
Takrif Maksimum Sdn Bhd	Rental of retail space	Dato' Seri Lee Tian Hock and Datin Seri Yong Chou Lian	Dato' Seri Lee Tian Hock who is a substantial shareholder and director of Takrif Maksimum Sdn Bhd, is a substantial shareholder of the Company and its Group Executive Deputy Chairman. Datin Seri Yong Chou Lian, who is a substantial shareholder and director of Takrif Maksimum Sdn Bhd, is the spouse of Dato' Seri Lee Tian Hock.
Reka Group	Supply and deliver light fittings and accessories, fittings for buildings fixture and furniture	Dato' Logendran A/L K Narayanasamy	Dato' Logendran A/L K Narayanasamy who is a director and substantial shareholder of Reka Group, is also the Non-Independent Non-Executive Director of MCHB and the director of several subsidiary companies of MCHB.
Yong Moi Noi	Agent for purchase of sales, marketing materials, corporate gift and decoration items	Dato' Seri Lee Tian Hock	Yong Moi Noi is the sister-in-law of Dato' Seri Lee Tian Hock.
Lee Geok Hoon and Cheong Yong Chieh	Rental of retail space	Dato' Seri Lee Tian Hock	Lee Geok Hoon and Cheong Yong Chieh are the sister and brother-in-law of Dato' Seri Lee Tian Hock.
Ratusan Aman Jati Sdn Bhd	Rental of retail space	Dato' Seri Lee Tian Hock	Tan Seng Heng and Low Kim Fong are the directors and shareholders of Ratusan Aman Jati Sdn Bhd. They are also the brother-in-law and sister-in-law of Mr Lee Tian Onn, who in turn is the brother of Dato' Seri Lee Tian Hock.
GXM Pty Ltd	Management and sales & marketing services	Lee Jon Wee	Lee Jon Wee who is the sole director and sole shareholder of GXM Pty Ltd, is also the director of Matrix Development (Australia) Pty Ltd, Matrix Greenvale (Australia) Pty Ltd, Matrix 333 St Kilda (Australia) Pty Ltd and Matrix Property Management (Australia) Pty Ltd.

2.1.3 The Nature of the RRPT Contemplated

The type of RRPT to be covered by the Proposed Renewal of Shareholders' Mandate relate principally to the supply of building materials, marketing services and rental of premises in the ordinary course of MCHB Group's businesses as described below:-

(a) Supply of Building Materials, Transport Services; and Sales and Marketing Collaterals and Corporate Gifts

In the course of MCHB Group's businesses, it is anticipated that the Group may enter into transactions with Related Parties which will include the provision by the companies in the MCHB Group to or receipt from Related Parties, supply of building materials, transport services; and sales and marketing collaterals, corporate gifts undertaken by the Related Parties or companies in the MCHB Group (as the case may be) which are necessary for its day-to-day operations.

(b) Rental of Premises

In carrying out the businesses of MCHB Group, it is envisaged that the Group will enter into RRPT which relate to the rental of premises from and/or to Related Parties.

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2.1.4 The Proposed Renewal of Shareholders' Mandate for RRPT

The RRPTs covered by the Proposed Renewal of Shareholders' Mandate for RRPT are as set out in the table below:-

Subsidiary Companies of MCHB	Nature of Transactions	Related Party	Approved Estimated Value (RM)	Actual Value Transacted from last AGM till LPD (RM)	Difference (%) (Below)/Above Estimated Value	Reason for deviation of 10% or more of the Estimated Value	Proposed Mandate (RM)
Matrix Excelcon	Purchase of ready mix concrete	Y&Y Mix Sdn Bhd	35,000,000	18,909,733	(45.97%)	-	35,000,000
BSSD	Rental of a retail space by BSSD from Takrif Maksimum Sdn Bhd utilized as its sales gallery for a period of not more than three (3) years at a monthly rental of RM5,000.	Takrif Maksimum Sdn Bhd	60,000	60,000	-	-	60,000
MCHB Group	Supply and deliver light fittings and accessories, fittings for buildings fixtures and furniture	Reka Group	600,000	9,825	(98.36%)	-	200,000
MCHB Group	Agency services for the sourcing and purchase of sales, marketing materials or collaterals, corporate gift, decoration items and hotel toiletries	Yong Moi Noi	600,000	200,508	(66.58%)	-	600,000

Subsidiary Companies of MCHB	Nature of Transactions	Related Party	Approved Estimated Value (RM)	Actual Value Transacted from last AGM till LPD (RM)	Difference (%) (Below)/Above Estimated Value	Reason for deviation of 10% or more of the Estimated Value	Proposed Mandate (RM)
Matrix Excelcon	Rental of a 2-storey shop office for the purpose of operating as an office at Bandar Seri Impian, Kluang for a period of not more than three (3) years at a monthly rental of RM3,850 from 1 July 2022	Lee Geok Hoon and Cheong Yong Chieh	43,200	43,600	0.93%	-	46,200
Matrix Concepts Sdn Bhd	Rental of a corner 2½-storey shop office for the purpose of operating as an office at Bandar Seri Impian, Kluang for a period of not more than three (3) years at a monthly rental of RM16,200 from 1 May 2022	Ratusan Aman Jati Sdn Bhd	180,000	183,600	2%	-	194,400
Matrix Development (Australia) Pty Ltd Group of Companies	Development and management of projects, management, sales and marketing services	GXM Pty Ltd	4,000,000	1,723,219.87	(56.92%)	-	3,000,000

2.1.5 Amount Due and Owing by Related Party

There is no amount due from or owing to MCHB Group by the Related Parties which exceeded the credit term given arising from the RRPTs set out in Section 2.1.4 of Part A of this Circular.

2.1.6 Rationale for the Proposed Renewal of Shareholders' Mandate for RRPT

The RRPTs to be entered into by the Group with respect to the approval for the Proposed Renewal of Shareholders' Mandate sought are all in the ordinary course of business and reflect the potential long-term commercial relationship between the parties. It is envisaged that in the ordinary course of business of the Group, the RRPTs between the Group and the Related Parties are likely to occur with some degree of frequency and from time to time, and it may be impractical to seek shareholders' approval on a case to case basis before entering into such RRPT. The RRPTs are undertaken on terms that are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders. All the transactions will be conducted on "an arm's length basis".

The Proposed Renewal of Shareholders' Mandate are intended to facilitate transactions in the ordinary course of business of the Group. The Proposed Renewal of Shareholders' Mandate would avoid the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when the RRPT occurs or arises. This would substantially reduce administrative time, inconvenience and expenses associated with the convening of such meetings on an ad-hoc basis. It would also enable the Group to realize business opportunities, as and when they shall become available to the Group, in a more timely and effective manner. The RRPTs to be entered into with the Related Parties represent business decision which are undertaken for legitimate and bona fide business purposes, after a thorough assessment of the merits of these proposed transactions, pursuant to the review procedures as outlined in Section 2.2 of Part A of this Circular.

2.1.7 Shareholdings of Interested Directors, Major Shareholders and Persons Connected to them

The Interested Directors, Major Shareholders and Persons Connected to them and their direct and indirect interests based on the Register of Director's Shareholding and Register of Substantial Shareholders as at LPD, are as follows:-

Name/Company	Direct		Indirect	
	No. of MCHB Shares	%	No. of MCHB Shares	%
Interested Directors and Major Shareholders				
Dato' Seri Lee Tian Hock ^(e)	105,985,399	12.70	177,439,364 ^(a)	21.27
Dato' Logendran A/L K ⁽ⁱ⁾ Narayanasamy	1,543,437	0.19	-	-
Interested Major Shareholders				
Shining Term Sdn Bhd	105,734,357	12.67	-	-
Datin Seri Yong Chou Lian	2,678,820	0.32	111,954,844 ^(c)	13.42

Name/Company	Direct		Indirect	
	No. of MCHB Shares	%	No. of MCHB Shares	%
Persons Connected				
Ambang Kuasa Sdn Bhd	32,699,185	3.92	-	-
Fine Approach Sdn Bhd	8,300,000	0.99	-	-
Magnitude Point Sdn Bhd	19,950,890	2.39	-	-
Meridian Effect Sdn Bhd	5,990,850	0.72	-	-
Target Venue Sdn Bhd	12,449,543	1.49	-	-
Yakin Teladan Sdn Bhd	6,220,487	0.75	-	-
Cheong Yong Chieh ^(f)	577,213	0.07	-	-
Lee Geok Hoon ^(e)	642,602	0.08	-	-
Lee Geok Lin ^(e)	928,642	0.11	-	-
Lee Yoke Fong ^(e)	121,075	0.01	-	-
Lee Tian Huat ^(e)	-	-	8,300,000 ^(d)	0.99
Lee Yoke Bee ^(e)	308,250	0.04	-	-
Lee Tian Onn ^(e)	4,781	0.00	5,990,850 ^(b)	0.72
Tan Seng Heng ^(h)	15	0.00	-	-
Low Kim Fong ^(h)	90,016	0.01	-	-
Nyo Eng Kiak ^(g)	200,000	0.02	-	-
Tan Bee Ling ^(f)	500,000	0.06	5,990,850 ^(b)	0.72
Teh Wei Cin ^(f)	1,910,001	0.23	-	-
Yong Ghee Kiat ^(g)	2,083	0.00	-	-
Yong Ing Kiat ^(g)	500,000	0.06	-	-
Yong Ah Chek ^(g)	-	-	-	-
Yong Hwah Kiat ^(g)	370,000	0.04	-	-
Yong Moi Noi ^(g)	332,000	0.04	-	-
Yong Soi Mee ^(f)	4,550,000	0.55	8,300,000 ^(d)	0.99
Lee Jon Wee ⁽ⁱ⁾	-	-	-	-
Soo Li Ping ^(g)	687,000	0.08	-	-
Harry Lee Chin Yeow ^(l)	2,155,625	0.26	105,734,357 ^(k)	12.67
Kelvin Lee Chin Chuan ^(l)	2,000,000	0.24	105,734,357 ^(k)	12.67
Vivian Lee Chin Shean ^(l)	2,000,000	0.24	105,734,357 ^(k)	12.67
Jennice Lee Chin Mei ^(l)	2,000,000	0.24	105,734,357 ^(k)	12.67
Cindy Lee Chin Hui ^(l)	2,000,000	0.24	105,734,357 ^(k)	12.67

Notes:

- (a) Deemed interested by virtue of his direct shareholdings in Shining Term Sdn Bhd, Ambang Kuasa Sdn Bhd, Magnitude Point Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 8 of the Act and the shareholdings of his spouse, Datin Seri Yong Chou Lian and offspring pursuant to Section 59(1)(c) of the Act.
- (b) Deemed interested by virtue of his/her direct shareholdings in Meridian Effect Sdn Bhd pursuant to Section 8 of the Act.
- (c) Deemed interested by virtue of her direct shareholdings in Shining Term Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 8 of the Act.
- (d) Deemed interested by virtue of his/her direct shareholdings in Fine Approach Sdn Bhd pursuant to Section 8 of the Act.
- (e) Dato' Seri Lee Tian Hock, Lee Tian Huat, Lee Tian Onn, Lee Geok Lin, Lee Yoke Fong, Lee Geok Hoon and Lee Yoke Bee are siblings.
- (f) Tan Bee Ling, Teh Wei Cin, Cheong Yong Chieh and Yong Soi Mee are spouses of Dato' Seri Lee Tian Hock's siblings.
- (g) Yong Moi Noi, Nyo Eng Kiak, Yong Ing Kiat, Yong Ah Chek, Yong Hwah Kiat, Yong Ghee Kiat and Soo Li Ping are the sisters/brother-in-laws of Dato' Seri Lee Tian Hock.
- (h) Tan Seng Heng and Low Kim Fong are the brother-in-law and sister-in-law of Lee Tian Onn.
- (i) Lee Jon Wee is the sole director and sole shareholder of GXM Pty Ltd and is also the director of Matrix Development (Australia) Pty Ltd, Matrix Greenvale (Australia) Pty Ltd, Matrix 333 St Kilda (Australia) Pty Ltd and Matrix Property Management (Australia) Pty Ltd.
- (j) Dato' Logendran A/L K Narayanasamy is the Non-Independent Non-Executive Director of MCHB and also the director of few subsidiary companies of MCHB.
- (k) Deemed interested by virtue of his/her direct shareholdings in Shining Term Sdn Bhd pursuant to Section 8 of the Act.
- (l) Harry Lee Chin Yeow, Kelvin Lee Chin Chuan, Vivian Lee Chin Shean, Jennice Lee Chin Mei and Cindy Lee Chin Hui are the offspring of Dato' Seri Lee Tian Hock.

The abovementioned Interested Directors, Major Shareholders and Persons Connected are deemed interested in the Proposed Renewal of Shareholders' Mandate by virtue of the interests of such parties with the Related Parties as mentioned in Section 2.1.2 of Part A of this Circular, which are transacting with MCHB.

2.1.8 Directors' and Major Shareholder's Interest

Dato' Seri Lee Tian Hock is an Interested Director and Major Shareholder of MCHB and he had abstained from deliberation and voting at Board meetings of MCHB on the Proposed Renewal of Shareholders' Mandate. He will also abstain from voting at the forthcoming 25th AGM in respect of his direct and indirect shareholdings.

Dato' Logendran A/L K Narayanasamy who being Interested Director has also abstained from deliberation and voting at Board meetings of MCHB on the Proposed Renewal of Shareholders' Mandate.

The Major Shareholder and/or Interested Director to which the Proposed Renewal of Shareholders' Mandate apply, shall abstain from voting at the forthcoming 25th AGM in respect of their direct and indirect shareholdings by virtue of their interests. The Interested Director and Major Shareholder have undertaken that they shall ensure that the persons connected to them will abstain from voting on the same.

Save as aforesaid, none of the other Directors or Major Shareholders of MCHB or persons connected to them have any interest in the Proposed Renewal of Shareholders' Mandate.

2.2 REVIEW PROCEDURES FOR THE RRPT

The MCHB Group has established the following policies and procedures to ensure that all RRPTs will be entered into on normal commercial terms at an arm's length basis, on terms which will be not more favourable to the Related Parties than those generally available to the public and will not be detrimental to the non-interested shareholders:-

- (i) The transaction prices are based on prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms;
- (ii) All RRPTs to be entered into shall be on normal commercial terms and on terms that will be consistent with the Group's usual business practices and policies;
- (iii) The Audit Committee is to provide a statement that it has reviewed the terms of the RRPTs to ensure that such transactions are undertaken based on terms not more favourable to the Related Parties than those generally available to the public, are not detrimental to the minority shareholders and are in the best interest of the Group;
- (iv) In the event that a member of the Audit Committee or Board has an interest and/or deemed interest in any particular RRPTs, he or she shall declare his or her interest in the RRPT and will have to refrain from any deliberation and also abstain from voting on the matter at the Audit Committee meeting or Board meeting in respect of that RRPT;
- (v) Records of RRPTs will be retained and compiled by the Group's financial officer for submission to the auditors and the Audit Committee for review;
- (vi) A quarterly report on all RRPTs transacted in that quarter will be produced to the Audit Committee for its reference;
- (vii) If the Audit Committee is of the view that the abovementioned procedures are insufficient to ensure that RRPTs are undertaken on an arm's length basis and on normal commercial terms and on terms that are not more favourable to the transacting party than those generally available to third parties dealing at arm's length during their periodic review of the procedures, the Audit Committee has the discretion to request for additional procedures to be imposed on all RRPTs;

- (viii) Directors who have any interest in any RRPTs, shall abstain from Board deliberations and voting and will ensure that they and any persons connected with them will also abstain from voting on the resolution at the AGM to be convened for the purpose;
- (ix) Disclosure will be made in the annual report of the breakdown of the aggregate value of the RRPTs during the financial year, amongst others, based on following information:
 - (a) type of the RRPTs made; and
 - (b) the names of the Related Parties involved in each type of the RRPTs made and their relationship with the MCHB Group;
- (x) At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be based on prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms in order to ensure that the RRPTs is not detrimental to MCHB Group; and
- (xi) It is the Company's policy to ensure that all of the Company's transactions regardless of whether they are RRPTs or not, are carried out in the best interests of the Company.

2.3 STATEMENT BY AUDIT COMMITTEE

The Audit Committee has the overall responsibility to periodically review the RRPTs, determining if the procedures for reviewing such RRPTs are appropriate. The Audit Committee also has the authority to delegate this responsibility to such individuals within the Group as it shall deem fit.

The Audit Committee has considered the procedures mentioned in Section 2.2 of Part A of this Circular and is of the view that the Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. The Audit Committee will review and ascertain whether the guidelines and procedures established to monitor RRPTs have been complied with once a year.

Should the Audit Committee at any time determine that the guidelines and/or procedures stated in Section 2.2 of Part A of this Circular are no longer adequate to ensure that:

- (i) the RRPTs are conducted on arm's length basis and on normal commercial terms not more favourable to the Related Parties than those generally available to the public; and/or
- (ii) such transactions are not to the detriment of the minority shareholders of the Company nor prejudicial to the interests of the shareholders of the same;

the Company will then obtain a fresh shareholders' mandate based on new guidelines and procedures.

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

The Audit Committee has reviewed the terms of the Proposed Renewal of Shareholders' Mandate and is satisfied that the review procedures mentioned in Section 2.2 of Part A of this Circular for the RRPTs are sufficient to ensure that the RRPTs are made on an arm's length basis and on normal commercial terms not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders of MCHB and hence, will not be prejudicial to the shareholders nor disadvantageous to the Group.

2.4 APPROVAL REQUIRED

The Proposed Renewal of Shareholders' Mandate are subject to the approval of the shareholders of the Company being obtained at the forthcoming 25th AGM.

2.5 EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPT

The Proposed Renewal of Shareholders' Mandate will not have any effects on the issued share capital and substantial shareholders' shareholdings of MCHB. In addition, the Shareholders' Mandate will not have any material effect on the earnings, net assets and gearing of our Group. However, the Shareholders' Mandate are in relation to transactions which are of a revenue or trading nature and which form an integral part of our Group's day-to-day operations and hence, they contribute to our financial performance.

2.6 THRESHOLD OF AUTHORITY

There is no specific threshold for approval of the RRPT within the Group. However, all RRPTs are subject to the approval of the Board. Where any Director has any direct/indirect interest in any RRPT, such Director shall abstain from deliberations and voting on the matter.

2.7 DISCLOSURE

The Company will make relevant disclosures in the Company's annual report for the next financial period in regards to the actual aggregate value of the RRPTs pursuant to the Proposed Renewal of Shareholders' Mandate during the financial period, based on the following information:-

- (a) the type of the RRPT made; and
- (b) the names of the Related Parties involved in each type of RRPT made and their relationships with the Company.

3. DIRECTORS' RECOMMENDATION

The Board with the exception of the Interested Directors who have abstained from giving opinion, having taken into consideration all relevant factors, is of the opinion that the Proposed Renewal of Shareholders' Mandate are in the best interest of the shareholders of MCHB.

The Board, with the exception of Dato' Seri Lee Tian Hock and Dato' Logendran A/L K Narayanasamy who have abstained from making a recommendation on the Proposed Renewal of Shareholders' Mandate, recommends that you vote in favour of the Ordinary Resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 25th AGM.

4. TWENTY-FIFTH ANNUAL GENERAL MEETING

The Ordinary Resolution pertaining to the Proposed Renewal of Shareholders' Mandate for RRPT is set out as Special Business in the Notice of the 25th AGM contained in the MCHB's Annual Report 2022. The 25th AGM will be conducted on a fully virtual basis through live streaming via remote participation and voting facilities ("RPV") using Vote2U at <https://web.vote2u.my> (Domain Registration No. with MYNIC - D6A471702) provided by Agmo Digital Solutions Sdn Bhd in Malaysia on Friday, 26 August 2022 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, inter alia, the ordinary resolution on the Proposed Renewal of Shareholders' Mandate set out as Special Business in the Notice of 25th AGM.

The Notice of the 25th AGM and the Proxy Form as set out in the Annual Report 2022 of the Company together with this Circular and Administrative Guide are all available at <https://www.mchb.com.my/investor-relations/general-meetings/>. Shareholders are advised to refer to the Notice of the 25th AGM and the Administrative Guide for the procedures as set out therein.

If you wish to appoint a proxy to attend, participate and vote on your behalf at the 25th AGM, you may deposit your Proxy Form at Wisma Matrix, No.57, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan. Alternatively, the submission of Proxy Form can be made through electronic lodgement not less than forty-eight (48) hours before the time fixed for holding the 25th AGM or any adjournment thereof. The lodgement of the Proxy Form will not preclude you from attending, participating and voting at the meeting should you subsequently decide to do so. For electronic lodgement of Proxy Form, please also follow the procedures as set out in the Administrative Guide.

5. ADDITIONAL INFORMATION

Shareholders are requested to refer to the attached Appendix 1 in Part A of this Circular for additional information.

Yours faithfully
For and on behalf of the Board of Directors
MATRIX CONCEPTS HOLDINGS BERHAD

DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN
Non-Independent Non-Executive Chairman

FURTHER INFORMATION**1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy, completeness and correctness of the information given herein 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.

2. MATERIAL CONTRACTS

Save as disclosed below, MCHB Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by MCHB Group within two (2) years preceding the date of this Circular:-

- (a) Sale and Purchase Agreement dated 24 February 2020 between Matrix Concepts Sdn Bhd and Felcra Berhad to acquire 2 parcels of leasehold agriculture lands in Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus measuring 134.89 acres for an aggregate cash consideration of RM34,079,689.00.
- (b) Sale and Purchase Agreement dated 29 January 2021 between MGE Development Sdn Bhd and Fortune Accurate Sdn Bhd to acquire 4 individual parcels of adjoining vacant freehold agriculture land in Mukim Labu, Daerah Seremban, Negeri Sembilan Darul Khusus measuring in total 1,073,807 sq. ft for an aggregate cash consideration of RM10,738,070.00.

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

MCHB Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which would have a material effect on the financial position or the business of MCHB Group and the Board has no knowledge of any proceedings pending or threatened against MCHB Group, or of any other facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of MCHB Group preceding the date of this Circular.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of MCHB at Wisma Matrix, No. 57, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan Darul Khusus from Mondays to Fridays (except public holidays) during normal business hours from the date of this Circular up to and including the date of the forthcoming 25th AGM:-

- (i) Constitution of MCHB;
- (ii) Audited Consolidated Financial Statements of MCHB for the two financial years ended 31 March 2021 and 31 March 2022; and
- (iii) The material contracts referred to in Paragraph 2 of this Appendix.

PART B

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED BONUS ISSUE OF UP TO 417,116,178 NEW ORDINARY SHARES IN MATRIX CONCEPTS HOLDINGS BERHAD ("MCHB") ("MCHB SHARES" OR "SHARES") ("BONUS SHARES") ON THE BASIS OF 1 BONUS SHARE FOR EVERY 2 EXISTING MCHB SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER

DEFINITIONS

Except where the context otherwise requires, the following abbreviations and definitions shall apply throughout Part B of this Circular:

"25th AGM"	: 25th Annual General Meeting of MCHB
"Act"	: Companies Act, 2016
"Board"	: Board of Directors of MCHB
"Bonus Shares"	: Up to 417,116,178 new MCHB Shares to be issued pursuant to the Proposed Bonus Issue of Shares
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd
"Bursa Securities"	: Bursa Malaysia Securities Berhad
"Circular"	: This Part B of the circular dated 28 July 2022 in relation to the Proposed Bonus Issue of Shares
"Directors"	: The directors of MCHB based on the meaning under Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act, 2007
"Entitled Shareholders"	: The shareholders of MCHB who are registered as a member and whose names appear in the Record of Depositors of the Company on the Entitlement Date in order to participate in the Proposed Bonus Issue of Shares
"Entitlement Date"	: The date as at the close of business at 5.00 p.m. to be determined by the Board and announced later by the Company at a later date, on which names of shareholders of MCHB must appear in the Record of Depositors of the Company in order to be entitled to the Bonus Shares
"EPS"	: Earnings per Share
"FYE"	: Financial year ended/ending, as the case may be
"Listing Requirements"	: Main Market Listing Requirements of Bursa Securities
"LPD"	: 30 June 2022, being the latest practicable date prior to the date of Part B of this Circular
"Market Day"	: A day on which the stock market of Bursa Securities is open for trading in securities
"MCHB" or the "Company"	: Matrix Concepts Holdings Berhad
"MCHB Group" or the "Group"	: Collectively, MCHB and its subsidiaries
"MCHB Shares" or the "Shares"	: Ordinary shares in MCHB
"NA"	: Net assets

DEFINITIONS (CONT'D)

"Proposed Bonus Issue of Shares"	:	Proposed bonus issue of up to 417,116,178 Bonus Shares on the basis of 1 Bonus Share for every 2 existing MCHB Shares held on the Entitlement Date
"Record of Depositors"	:	A record of securities holders established and maintained by Bursa Depository under the rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991
"RHB Investment Bank" or the "Principal Adviser"	:	RHB Investment Bank Berhad
"RM" and "sen"	:	Ringgit Malaysia and sen respectively
"TEBP"	:	Theoretical ex-bonus price
"VWAP"	:	Volume weighted average share price

References to "our Company" in Part B of this Circular are to MCHB and references to "our Group" are to our Company and our subsidiaries. References to "we", "us", "our" and "ourselves" in Part B of this Circular are to our Company and where the context otherwise requires, shall include our subsidiaries. All references to "you" in Part B of this Circular are to our shareholders.

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

Any reference in Part B of this Circular to the provisions of any statute, rules, regulation or rules of stock exchange shall (where the context admits) be construed as a reference to the provisions of such statute, rules, regulation or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments to the statute, rules, regulation or rules of stock exchange for the time being in force.

Any reference to a time of day and date in Part B of this Circular shall be a reference to Malaysian time and date respectively, unless otherwise specified.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by the Company, such as in its annual reports or quarterly results, is due to rounding.

Certain statements in Part B of this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in Part B of this Circular should not be regarded as a representation or warranty that the Company's and/or the Group's plans and objectives will be achieved.

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EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposed Bonus Issue of Shares in Part B of this Circular. You are advised to read and carefully consider the contents of Part B of this Circular and the appendices contained herein in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposed Bonus Issue of Shares before voting at the forthcoming 25th AGM.

Salient information	Description	Reference to Circular
Issue size and basis of allotment	The Proposed Bonus Issue of Shares entails the issuance of up to 417,116,178 Bonus Shares on the basis of 1 Bonus Share for every 2 existing MCHB Shares held on the Entitlement Date.	Section 2 of Part B of this Circular
Rationale and justifications	<p>The Proposed Bonus Issue of Shares is intended to:</p> <ul style="list-style-type: none">(i) reward the shareholders of the Company for their continuous support by increasing their equity participation in the Company in terms of the number of Shares held and maintaining their percentage equity shareholding without incurring any cost;(ii) encourage the trading liquidity of the Shares on the Main Market of Bursa Securities at a lower adjusted trading price and increased number of Shares in issue without affecting the size of the market capitalisation of the Company; and(iii) maintain the Company's reserve as the Proposed Bonus Issue of Shares will be implemented via the adoption of the enhanced bonus issue framework without capitalisation of its reserves.	Section 3 of Part B of this Circular
Effects	<p>The effects of the Proposed Bonus Issue of Shares are as follows:</p> <ul style="list-style-type: none">(i) will increase the number of MCHB Shares in issue but will not increase the value of the issued share capital of MCHB;(ii) will not have any effect on the percentage of shareholding of the substantial shareholders as the Bonus Shares will be allotted on a pro-rata basis to all shareholders. However, there will be a proportionate increase in the number of Shares held by each substantial shareholder;(iii) the NA per Share is expected to be diluted as a result of the increase in the number of MCHB Shares pursuant to the issuance of the Bonus Shares. The Proposed Bonus Issue of Shares is not expected to have any material impact on the Group's gearing; and(iv) will not have any material effect on the earnings of the Group. Notwithstanding that, the Group's EPS may be diluted as a result of the increase in the number of MCHB Shares in issue upon completion of the Proposed Bonus Issue of Shares.	Section 4 of Part B of this Circular

EXECUTIVE SUMMARY (CONT'D)

Salient information	Description	Reference to Circular
Approvals required/obtained	<p>The Proposed Bonus Issue of Shares is subject to the following approvals being obtained:</p> <p>(i) Bursa Securities, had, vide its letter dated 12 July 2022 approved the listing and quotation of up to 417,116,178 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares on the Main Market of Bursa Securities, subject to the conditions as set out in Section 6 of Part B of this Circular;</p> <p>(ii) the shareholders of MCHB, for the Proposed Bonus Issue of Shares at the forthcoming 25th AGM by way of poll; and</p> <p>(iii) any other relevant authorities and/or parties, if required.</p>	Section 6 of Part B of this Circular
Interests of Directors, major shareholders, chief executive and/or persons connected to them	<p>None of the Directors, major shareholders and/or chief executive of MCHB and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Bonus Issue of Shares, save for their respective entitlement under the Proposed Bonus Issue of Shares which is available to all Entitled Shareholders on a pro-rata basis.</p>	Section 7 of Part B of this Circular
Directors' statement and recommendation	<p>The Board, having considered all aspects of the Proposed Bonus Issue of Shares, is of the opinion that the Proposed Bonus Issue of Shares is in the best interest of the Company.</p> <p>Accordingly, the Board recommends that you VOTE IN FAVOUR of the resolution pertaining to the Proposed Bonus Issue of Shares to be tabled at the forthcoming 25th AGM.</p>	Section 10 of Part B of this Circular

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MATRIX CONCEPTS HOLDINGS BERHAD
(Registration No. 199601042262 (414615-U))
(Incorporated in Malaysia)

Registered Office

Wisma Matrix
No. 57, Jalan Tun Dr. Ismail
70200 Seremban
Negeri Sembilan

28 July 2022

Board of Directors

Dato' Haji Mohamad Haslah Bin Mohamad Amin (*Non-Independent Non-Executive Chairman*)
Dato' Seri Lee Tian Hock (*Group Executive Deputy Chairman*)
Mr Ho Kong Soon (*Group Managing Director*)
Dato' Logendran A/L K Narayanasamy (*Non-Independent Non-Executive Director*)
Encik Mazhairul Bin Jamaludin (*Independent Non-Executive Director*)
Dato' Hon Choon Kim (*Independent Non-Executive Director*)
Dato' Hajah Kalsom Binti Khalid (*Independent Non-Executive Director*)
Ms Chua See Hua (*Independent Non-Executive Director*)
Ms Loo See Mun (*Independent Non-Executive Director*)

To: Our shareholders

Dear Sir/Madam,

PROPOSED BONUS ISSUE OF SHARES

1. INTRODUCTION

On 25 May 2022, RHB Investment Bank had, on behalf of the Board, announced that the Company proposes to undertake an issuance of up to 417,116,178 Bonus Shares on the basis of 1 Bonus Share for every 2 existing MCHB Shares held on the Entitlement Date.

On 13 July 2022, RHB Investment Bank had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 12 July 2022, approved the listing and quotation of up to 417,116,178 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares on the Main Market of Bursa Securities, subject to the conditions as set out in Section 6 of Part B of this Circular.

THE PURPOSE OF PART B OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED BONUS ISSUE OF SHARES AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE OF SHARES TO BE TABLED AT THE FORTHCOMING 25TH AGM.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF PART B OF THIS CIRCULAR AND THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE OF SHARES TO BE TABLED AT THE FORTHCOMING 25TH AGM.

2. DETAILS OF THE PROPOSED BONUS ISSUE OF SHARES

2.1 Basis and number of Bonus Shares to be issued

The Proposed Bonus Issue of Shares will entail the issuance of up to 417,116,178 Bonus Shares on the basis of 1 Bonus Share for every 2 existing MCHB Shares held by the Entitled Shareholders on the Entitlement Date.

As at the LPD, the Company has an issued share capital of RM961,315,014 comprising 834,232,356 MCHB Shares. For shareholders' information, the Company does not have any outstanding convertible securities as at the LPD. The enlarged number of issued shares of the Company will increase from 834,232,356 MCHB Shares to up to 1,251,348,534 MCHB Shares based on up to 417,116,178 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares.

The Entitlement Date will be determined by the Board and announced by the Company at a later date upon receipt of all relevant approvals for the Proposed Bonus Issue of Shares.

Fractional entitlements of the Bonus Shares arising from the Proposed Bonus Issue of Shares, if any, will be disregarded and dealt with in such manner as the Board in its absolute discretion deems fit, expedient and in the best interest of the Company.

The entitlement basis for the Proposed Bonus Issue of Shares was determined after taking into consideration the following:

- (i) dilutive effects arising from the issuance of the Bonus Shares on the consolidated EPS and NA per Share of the Company; and
- (ii) compliance with Paragraph 6.30(1A) of the Listing Requirements, which states that the Company must ensure that its share price adjusted for the Proposed Bonus Issue of Shares is not less than RM0.50 based on the daily VWAP during the 3-month period before the application date.

MCHB's share price will be adjusted pursuant to the Proposed Bonus Issue of Shares. For illustration purposes, based on the 5-day VWAP of MCHB Shares up to and including the LPD as well as the lowest daily VWAP of MCHB Shares during the 3-month period before 6 July 2022, being the date of submission of the listing application to Bursa Securities for the Proposed Bonus Issue of Shares, the TEBP of MCHB Shares after the Proposed Bonus Issue of Shares is set out below:

	VWAP before the Proposed Bonus Issue of Shares RM	TEBP after the Proposed Bonus Issue of Shares RM
5-day VWAP up to and including the LPD	2.3328	1.5552
Lowest daily VWAP during the 3-month period before 6 July 2022	2.2472	1.4981

Based on the above, the Proposed Bonus Issue of Shares is in compliance with Paragraph 6.30(1A) of the Listing Requirements as the share price adjusted for the Proposed Bonus Issue of Shares is not less than RM0.50 based on the lowest daily VWAP of MCHB Shares during the past 3-month period before 6 July 2022, being the date of submission of the listing application to Bursa Securities for the Proposed Bonus Issue of Shares.

The Proposed Bonus Issue of Shares will be implemented in a single issuance.

2.2 No capitalisation of reserves

The Bonus Shares will be issued as fully paid, at no consideration and without capitalisation of the Company's reserves. For the avoidance of doubt, the Proposed Bonus Issue of Shares will increase the number of MCHB Shares in issue but will not increase the value of the share capital of the Company.

2.3 Ranking of the Bonus Shares

The Bonus Shares shall, upon issuance and allotment, rank equally in all respects with the then existing MCHB Shares, save and except that they will not be entitled to any dividend, right, allotment and/or any other distribution that may be declared, made or paid prior to the date of allotment of the Bonus Shares.

2.4 Listing and quotation of the Bonus Shares

Bursa Securities had, vide its letter dated 12 July 2022, approved the listing and quotation of up to 417,116,178 Bonus Shares on the Main Market of Bursa Securities, subject to the conditions as set out in Section 6 of Part B of this Circular.

The Bonus Shares will be listed and quoted on the Main Market of Bursa Securities on the next Market Day after the Entitlement Date.

3. RATIONALE FOR THE PROPOSED BONUS ISSUE OF SHARES

After taking into consideration the various options available to reward the shareholders of the Company, the Board is of the view that the Proposed Bonus Issue of Shares is the most appropriate avenue to reward its shareholders for their continuous support as the Proposed Bonus Issue of Shares will:

- (i) increase shareholders' equity participation in the Company in terms of the number of Shares held and maintaining their percentage equity shareholding without incurring any cost;
- (ii) encourage the trading liquidity of the Shares on the Main Market of Bursa Securities at a lower adjusted trading price and increase number of Shares in issue without affecting the size of the market capitalisation of the Company; and
- (iii) maintain the Company's reserves as the Proposed Bonus Issue of Shares will be implemented via the adoption of the enhanced bonus issue framework without capitalisation of its reserves.

For shareholders' information, the Company has not undertaken any fund raising exercise in the past 12 months up to the date of Part B of this Circular.

4. EFFECTS OF THE PROPOSED BONUS ISSUE OF SHARES

4.1 Issued share capital

The pro forma effects of the Proposed Bonus Issue of Shares on the issued share capital of MCHB are set out below:

	No. of Shares	RM
Issued share capital as at the LPD	834,232,356	961,315,014
Shares to be issued pursuant to the Proposed Bonus Issue of Shares	417,116,178	-(a)
Enlarged issued share capital	1,251,348,534	961,315,014

Note:

(a) *The Bonus Shares will be issued as fully paid, at no consideration and without capitalisation of the Company's reserves.*

4.2 Consolidated NA per Share and gearing

Based on the latest audited consolidated financial statements of MCHB as at 31 March 2022, the pro forma effects of the Proposed Bonus Issue of Shares on the consolidated NA per Share and gearing of MCHB are set out below:

	Audited as at 31 March 2022 RM'000	I After adjustments for subsequent events ^(a) RM'000	II After I and the Proposed Bonus Issue of Shares RM'000
Share capital	961,315	961,315	961,315
Retained profits	944,365	881,797	881,637 ^(b)
Translation reserves	4,699	4,699	4,699
Shareholders' funds/NA	1,910,379	1,847,811	1,847,651
No. of Shares in issue ('000)	834,232	834,232	1,251,348
NA per Share (RM)	2.29	2.21	1.48
Total interest-bearing borrowings (RM'000)	285,925	285,925	285,925
Gearing ratio (times)	0.15	0.15	0.15

Notes:

(a) *After adjusting for the following:*

(i) *3rd interim single tier dividend of 3.75 sen per Share amounting to RM31,283,713 in respect of the FYE 31 March 2022, which was paid on 7 April 2022.*

(ii) *4th interim single tier dividend of 3.75 sen per Share amounting to RM31,283,713 in respect of the FYE 31 March 2022, which was paid on 7 July 2022.*

(b) *After deducting the estimated expenses of RM160,000 in relation to the Proposed Bonus Issue of Shares.*

4.3 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Bonus Issue of Shares on the substantial shareholders' shareholdings of MCHB are set out below:

Substantial shareholders	Shareholdings as at the LPD				After the Proposed Bonus Issue of Shares			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Seri Lee Tian Hock	105,985,399	12.70	177,439,364 ^(a)	21.27	158,978,098	12.70	266,159,046 ^(a)	21.27
Shining Term Sdn Bhd	105,734,357	12.67	-	-	158,601,535	12.67	-	-
Datin Seri Yong Chou Lian	2,678,820	0.32	111,954,844 ^(b)	13.42	4,018,230	0.32	167,932,266 ^(b)	13.42
Employees Provident Fund Board	70,704,852	8.48	-	-	106,057,278	8.48	-	-

Notes:

(a) Deemed interested by virtue of his direct shareholdings in Shining Term Sdn Bhd, Ambang Kuasa Sdn Bhd, Magnitude Point Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 8 of the Act and the shareholdings of his spouse, Datin Seri Yong Chou Lian and offspring pursuant to Section 59(11)(c) of the Act.

(b) Deemed interested by virtue of her direct shareholdings in Shining Term Sdn Bhd and Yakin Teladan Sdn Bhd pursuant to Section 8 of the Act.

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4.4 Earnings and EPS

The Proposed Bonus Issue of Shares is expected to be completed by the 4th quarter of 2022 and is not expected to have any material effect on the consolidated earnings of the Group for the FYE 31 March 2023. However, the consolidated EPS of the Group may be diluted as a result of the increase in the number of MCHB Shares pursuant to the issuance of the Bonus Shares.

Based on the latest audited consolidated financial statements of MCHB for the FYE 31 March 2022, the pro forma effects of the Proposed Bonus Issue of Shares on the consolidated EPS of the Group assuming the Proposed Bonus Issue of Shares had been completed at the beginning of the FYE 31 March 2022 are set out below:

	Audited for the FYE 31 March 2022	After the Proposed Bonus Issue of Shares
Profit after tax attributable to the owners of the Company (RM'000)	205,198	205,038 ^(a)
No. of ordinary Shares in issue ('000)	834,232	1,251,348
Basic EPS (sen)	24.60	16.39

Note:

(a) After deducting the estimated expenses of RM160,000 in relation to the Proposed Bonus Issue of Shares.

4.5 Convertible securities

As at the LPD, MCHB does not have any convertible securities in issue.

5. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of MCHB Shares as traded on Bursa Securities for the past 12 months from July 2021 to June 2022 are set out below:

	High RM	Low RM
2021		
July	2.07	1.94
August	2.12	1.95
September	2.11	2.02
October	2.17	2.00
November	2.23	2.10
December	2.27	2.09
2022		
January	2.30	2.15
February	2.42	2.12
March	2.42	2.27
April	2.37	2.27
May	2.50	2.26
June	2.57	2.28

Last transacted market price on 24 May 2022
(being the last trading day prior to the announcement of the Proposed Bonus Issue of Shares on 25 May 2022) 2.36

Last transacted market price on the LPD 2.36

(Source: Bloomberg)

6. APPROVALS REQUIRED/OBTAINED FOR THE PROPOSED BONUS ISSUE OF SHARES

The Proposed Bonus Issue of Shares is subject to the following approvals being obtained:

- i. Bursa Securities, for the listing and quotation of up to 417,116,178 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares on the Main Market of Bursa Securities, which was obtained vide its letter dated 12 July 2022, subject to the following conditions:

No.	Condition	Status of compliance
(a)	MCHB and RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue of Shares;	Noted
(b)	MCHB and RHB Investment Bank to inform Bursa Securities upon the completion of the Proposed Bonus Issue of Shares;	To be complied
(c)	MCHB / RHB Investment Bank to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders at the forthcoming 25th AGM for the Proposed Bonus Issue of Shares;	To be complied
(d)	MCHB and RHB Investment Bank to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue of Shares is completed; and	To be complied
(e)	MCHB and RHB Investment Bank are required to make the relevant announcements pursuant to Paragraphs 6.35(2) and 6.35(4) of the Listing Requirements.	To be complied

- ii. the shareholders of MCHB, for the Proposed Bonus Issue of Shares at the forthcoming 25th AGM by way of poll; and
- iii. any other relevant authorities and/or parties, if required.

The Proposed Bonus Issue of Shares is not conditional upon any other proposals undertaken or to be undertaken by the Company.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED

None of the Directors, major shareholders and/or chief executive of MCHB and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Bonus Issue of Shares, save for their respective entitlement under the Proposed Bonus Issue of Shares which is available to all Entitled Shareholders on a pro-rata basis.

8. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the approvals from the relevant authorities and parties being obtained, the Proposed Bonus Issue of Shares is expected to be completed by the 4th quarter of year 2022.

The tentative timetable for the implementation of the Proposed Bonus Issue of Shares is set out below:

Date/Month	Events
26 August 2022	<ul style="list-style-type: none">• Convening of the 25th AGM to obtain the approval from the shareholders of MCHB for the Proposed Bonus Issue of Shares
Early September 2022	<ul style="list-style-type: none">• Announcement of the Entitlement Date for the Bonus Shares
Mid September 2022	<ul style="list-style-type: none">• Entitlement Date for the Bonus Shares• Listing of the Bonus Shares on the Main Market of Bursa Securities

9. CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Bonus Issue of Shares, there is no other corporate exercise which has been announced by the Company but not yet completed as at the date of Part B of this Circular.

10. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Bonus Issue of Shares, is of the opinion that the Proposed Bonus Issue of Shares is in the best interest of the Company.

Accordingly, the Board recommends that you **VOTE IN FAVOUR** of the resolution pertaining to the Proposed Bonus Issue of Shares to be tabled at the forthcoming 25th AGM.

11. 25TH AGM

The forthcoming 25th AGM will be conducted on a fully virtual basis through live-streaming via remote participation and voting facilities using Vote2U at <https://web.vote2u.my> (Domain Registration No. with MYNIC - D6A471702) provided by Agmo Digital Solutions Sdn Bhd in Malaysia on Friday, 26 August 2022 at 10.00 a.m.

The Notice of the 25th AGM and the Proxy Form as set out in the Integrated Annual Report 2022 of the Company together with this Circular and Administrative Guide for the 25th AGM are all available at <https://www.mchb.com.my/investor-relations/general-meetings/>. Shareholders are advised to refer to the Notice of the 25th AGM and the Administrative Guide for the procedures as set out therein.

If you wish to appoint a proxy to attend, participate and vote on your behalf at the 25th AGM, you may deposit your Proxy Form at Wisma Matrix, No. 57, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan. Alternatively, the submission of the Proxy Form can be made through electronic lodgement not less than forty-eight (48) hours before the time fixed for holding the 25th AGM or any adjournment thereof. The lodgement of the Proxy Form will not preclude you from attending, participating and voting at the meeting should you subsequently decide to do so. For electronic lodgement of the Proxy Form, please also follow the procedures as set out in the Administrative Guide.

12. ADDITIONAL INFORMATION

You are advised to refer to the attached appendices for additional information.

Yours faithfully,
For and on behalf of the Board
MATRIX CONCEPTS HOLDINGS BERHAD

DATO' HAJI MOHAMAD HASLAH BIN MOHAMAD AMIN
Non-Independent Non-Executive Chairman

ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Part B of this Circular has been seen and approved by the Board who collectively and individually accepts full responsibility for the accuracy of the information given herein. The Board hereby confirms that, after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein false or misleading.

2. CONSENT AND CONFLICT OF INTEREST

RHB Investment Bank, being the Principal Adviser to MCHB for the Proposed Bonus Issue of Shares, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in Part B of this Circular.

RHB Investment Bank, its subsidiaries and associated companies, as well as its holding company, RHB Bank Berhad ("**RHB Bank**"), and the subsidiaries and associated companies of RHB Bank ("**RHB Banking Group**") form a diversified financial group. RHB Banking Group may extend credit facilities or engage in private banking, commercial banking and investment banking transactions including, amongst others, brokerage, securities trading, asset and fund management and credit transaction service businesses. RHB Banking Group has engaged and may in the future, engage in transactions with and perform services for the Company and/or its affiliates, in addition to the role as set out in Part B of this Circular. RHB Banking Group, its directors and major shareholders may from time to time hold or deal in the securities of the Company and/or its affiliates for their own accounts or their proprietary accounts.

Employees Provident Fund ("**EPF**") is a substantial shareholder of RHB Bank and the Company. However, EPF is not involved in the day-to-day operations of RHB Banking Group and the Company.

Furthermore, in the ordinary course of business, RHB Banking Group may at any time offer or provide its services or engage in any transactions (whether on its own account or otherwise) with the Company and/or its affiliates and/or any other entity or person, hold long or short positions in the securities offered by the Company and/or its affiliates, make investments recommendations and/or publish or express independent research views on such securities and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of the Company and/or its affiliates.

The business of RHB Banking Group generally act independently of each other, and accordingly, there may be situations where parts of RHB Banking Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the said regulations issued by the relevant authorities governing its advisory business, which require, amongst others, segregation between dealing and advisory activities and Chinese Wall between different business divisions.

As at the LPD, RHB Banking Group had extended credit facilities amounting to RM60.00 million ("**Credit Facilities**") (with an amount of approximately RM10.00 million outstanding) to MCHB Group. The Credit Facilities represent approximately 0.21% of the audited consolidated NA of RHB Bank of approximately RM28.00 billion as at 31 December 2021.

Notwithstanding the above, RHB Investment Bank is of the opinion that concerns of any potential conflict of interest that exists or is likely to exist in relation to its capacity as the Principal Adviser to MCHB for the Proposed Bonus Issue of Shares is mitigated by the following:

ADDITIONAL INFORMATION (CONT'D)

- (a) RHB Investment Bank is a licensed investment bank and its appointment as the Principal Adviser to MCHB for the Proposed Bonus Issue of Shares is in the ordinary course of its business and RHB Investment Bank does not receive or derive any financial interest or benefits save for the professional fees received in relation to its appointment as the Principal Adviser to MCHB for the Proposed Bonus Issue of Shares;
- (b) the Credit Facilities were approved by RHB Banking Group's relevant credit committee and granted on an arm's length basis and is not material when compared to the audited consolidated NA of RHB Bank of approximately RM28.00 billion as at 31 December 2021;
- (c) the Corporate Finance division of RHB Investment Bank is required under its investment banking license to comply with strict policies and guidelines issued by the Securities Commission Malaysia, Bursa Securities and Bank Negara Malaysia governing its advisory operations. These guidelines require, amongst others, the establishment of Chinese Wall policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations; and
- (d) the conduct of RHB Banking Group in its banking business is strictly regulated by the Financial Services Act 2013, the Capital Markets and Services Act 2007 and RHB Banking Group's own internal controls which includes, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees.

As at the LPD, save as disclosed above, RHB Investment Bank confirms that it is not aware of any conflict of interest that exists or is likely to exist in relation to its capacity as the Principal Adviser of MCHB for the Proposed Bonus Issue of Shares.

3. MATERIAL COMMITMENTS

As at the LPD, save as disclosed below, there is no other material commitment incurred or known to be incurred by the Group which may have a material impact on the financial results/position of the Group:

Capital commitments	RM'000
Contracted but not provided for:	
<ul style="list-style-type: none"> • Land held for property development 	121,056

4. CONTINGENT LIABILITIES

As at the LPD, there were no contingent liabilities incurred or known to be incurred by the Group, which upon becoming enforceable, may have a material impact on the financial results/position of the Group.

5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, the Group is not involved 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 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 Group.

ADDITIONAL INFORMATION (CONT'D)

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's Registered Office at Wisma Matrix, No. 57, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan during normal business hours from Mondays to Fridays (except public holidays) from the date of Part B of this Circular up to and including the date of the forthcoming 25th AGM:

- (i) Constitution of MCHB;
- (ii) audited consolidated financial statements of MCHB Group for the past 2 financial years up to the FYE 31 March 2022; and
- (iii) letter of consent and declaration of conflict of interest referred to in Section 2 above.

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EXTRACT OF THE NOTICE OF THE 25TH AGM

ORDINARY RESOLUTION 10**PROPOSED BONUS ISSUE OF UP TO 417,116,178 NEW ORDINARY SHARES IN MCHB ("MCHB SHARES" OR "SHARES") ("BONUS SHARES") ON THE BASIS OF 1 BONUS SHARE FOR EVERY 2 EXISTING MCHB SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("ENTITLEMENT DATE") ("PROPOSED BONUS ISSUE OF SHARES")**

"**THAT** subject to the approvals of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Board of Directors of the Company ("Board") to issue and allot up to 417,116,178 Bonus Shares, issued as fully paid, at no consideration and without capitalisation of the Company's reserves to the shareholders of the Company whose names appear in the Record of Depositors of the Company as at 5.00 p.m. on the Entitlement Date to be determined by the Board and announced by the Company at a later date, on the basis of 1 Bonus Share for every 2 existing MCHB Shares held;

THAT fractional entitlements arising from the Proposed Bonus Issue of Shares, if any, will be disregarded and dealt with in such manner as the Board in its absolute discretion deems fit, expedient and in the best interest of the Company;

THAT the Bonus Shares shall, upon issuance and allotment, rank equally in all respects with the then existing MCHB Shares, save and except that they will not be entitled to any dividend, right, allotment and/or any other distribution that may be declared, made or paid prior to the date of issuance and allotment of the Bonus Shares;

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements (including without limitations, the affixation of the Company's Common Seal in accordance with the Company's Constitution) as may be necessary or expedient in order to implement, finalise, give effect and complete the Proposed Bonus Issue of Shares with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company."

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