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EMICO HOLDINGS BERHAD

Registration No. 199101020015 (230326-D)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

AND

INFORMATION ON ANNUAL GENERAL MEETING

The above proposals will be tabled as ordinary and special resolutions under special businesses at the 31st Annual General Meeting of the Company. The Notice of the 31st Annual General Meeting of the Company to be held at The Conference Room of Emico Holdings Berhad at 18, Lebuhraya Kampung Jawa, 11900 Bayan Lepas, Penang on Thursday, 14 September 2023 at 11.00 a.m. together with the Proxy Form are enclosed herein. Shareholders are advised to refer to the Notice of the 31st Annual General Meeting and the Proxy Form. The Proxy Form must be lodged at the Registered Office of the Company at 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than 48 hours before the time for holding the meeting or adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

This Circular is dated 31 July 2023

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE
FOR RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE**

DEFINITIONS

In this Circular and the accompanying appendix, the following abbreviations shall have the following meaning unless otherwise stated:-

“AGM”	:	Annual General Meeting
“BGSB”	:	Bayan Greentech Sdn. Bhd.
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“BCM”	:	Beng Choo Marketing Sdn. Bhd.
“CPI”	:	Century Plas Industry Sdn. Bhd.
“Directors”	:	The Board of Directors of EMICO
“EASB”	:	Emico Asia Sdn. Bhd.
“ECSB”	:	Emico Capital Sdn. Bhd.
“EDSB”	:	Emico Development Sdn. Bhd.
“EMEL”	:	Emico Melaka Sdn. Bhd.
“EMICO” or “the Company”	:	Emico Holdings Berhad
“EMICO Group” or “the Group”	:	EMICO and its subsidiary companies
“EMSB”	:	Emico Marketing Sdn. Bhd.
“EMTZ”	:	Emico Metalizing Sdn. Bhd.
“ENSB”	:	Emico Newk Sdn. Bhd.
“EPSB”	:	Emico Penang Sdn. Bhd.
“ETSB”	:	Emico Tools Sdn. Bhd.
“MTL”	:	Mercu Tanah Langkawi Sdn. Bhd.
“NEB”	:	NEB Development Berhad
“NPSB”	:	NEB Pacific Sdn. Bhd.
“OTSB”	:	Operasi Tembaga Sdn. Bhd.
“PKB”	:	PKB-Operasi Tembaga Sdn. Bhd.
“UCMSB”	:	U-Can Marketing Sdn. Bhd.
“UNIC”	:	Unic Builders Sdn. Bhd.
“EVIET”	:	Emico (Vietnam) Co. Ltd.
“ECL”	:	Emico Co. Ltd.

DEFINITIONS

“ETC”	:	Emico Trophy Co. Ltd.
“Proposed Shareholders’ Mandate”	:	Proposed renewal of shareholders’ mandate, collectively
“RRPT”	:	Related Party Transaction(s) involving recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are in the ordinary course of business of the Group

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EMICO HOLDINGS BERHAD
Registration No. 199101020015 (230326-D)
(Incorporated in Malaysia)

Registered Office
51-21-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang

31 July 2023

Board of Directors

Lim Teck Chye (Executive Chairman)

Lim Lay Khim (Executive Director)

Dato' Jimmy Ong Chin Keng (Non-Independent Non-Executive Director)

Ng Hong Kiat @ Ng Han Kiat (Independent Non-Executive Director)

Kee Chei Hen (Independent Non-Executive Director)

To: The Shareholders of Emico Holdings Berhad

Dear Sir/Madam,

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

1. INTRODUCTION

At the Company's 30th AGM held on 22 September 2022, a mandate was granted by the shareholders' of the Company to carry out recurrent related party transactions of a revenue or trading nature which are necessary for its day-to-day operations and are in the ordinary course of business of the EMICO Group. This approval shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM which has been scheduled to be held on 14 September 2023 unless the shareholders' mandate is renewed.

On 24 May 2023, the Company announced to Bursa Securities its intention to seek the shareholders' approval in respect of the Proposed Shareholders' Mandate in respect of RRPT which has been approved previously comprised in the Shareholders' Mandate, as set out in Section 2.1 of this Circular.

The purpose of this Circular is to provide the shareholders of EMICO with details of the Proposed Shareholders' Mandate and to seek the shareholders' approval on the resolutions to be tabled at the forthcoming 31st AGM.

Under Part E, Paragraph 10.09 of the Listing Requirements, a listed issuer may seek a shareholders' mandate in respect of related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations subject to the following:-

- a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party 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:-
 - i) the consideration, value of the assets, capital outlay or cost of the aggregated transactions is RM 1 million or more; or
 - ii) any one of the percentage ratios of such aggregated transactions is equal or exceeds 1%,

whichever is the higher: and

- c) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder, such director or major shareholder must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Nature of Transaction Contemplated under the Mandate and Class of Related Party

EMICO is an investment holding company whilst its subsidiary companies are mainly engaged in the following:

- Manufacturing and trading of consumer products, such as trophies, souvenirs and promotional items
- Manufacturing of original equipment manufacturer products
- Trading of home furnishing and household products
- Property development

The details of EMICO's subsidiaries and associate are as follows:-

Name of Company	Country of Incorporation/ Principal place of business	Effective Equity Interest	Principal Activities
<u>Subsidiary companies</u>			
EPSB	Malaysia	100.0%	Manufacturing of original equipment manufacturer products, awards, trophy components, medallions, souvenir, gifts items, furniture products and general trading
ETSB	Malaysia	100.0%	Dormant
ECSB	Malaysia	100.0%	Dormant
EMSB	Malaysia	100.0%	Dormant
EDSB	Malaysia	100.0%	Investment holding and property development
ENSB	Malaysia	100.0%	Dormant
MTL	Malaysia	71.0%	Investment holding
NEB	Malaysia	60.0%	Dormant
EMEL	Malaysia	51.0%	Dormant
EMTZ	Malaysia	100.0%	Dormant
<u>Subsidiary NEB</u>			
NPSB	Malaysia	60.0%	Dormant
UNIC	Malaysia	60.0%	Dormant

Name of Company	Country of Incorporation/ Principal place of business	Effective Equity Interest	Principal Activities
<u>Subsidiary of EPSB</u>			
EASB	Malaysia	100.0%	Trading of houseware and furniture
BGSB	Malaysia	79.1%	Agriculture activities for urban farming & waste management system
<u>Subsidiary of EASB</u>			
ECL	People's Republic China	100.0%	Marketing of awards, trophy components, souvenir items and general trading
<u>Subsidiary of MTL</u>			
OTSB	Malaysia	49.7%	Investment holding
<u>Subsidiary of OTSB</u>			
PKB	Malaysia	49.8%	Property development
<u>Associate of EPG</u>			
ETC	Thailand	49.0%	Marketing of awards, trophy components, souvenir items and general trading

- 2.1 The Proposed Shareholders' Mandate will apply to the following transactions to be entered with the following class of related party comprising of Directors and Major Shareholders and persons connected to such Directors and Major Shareholders and the following wholly-owned subsidiaries of EMICO :

EMICO and/or subsidiaries involved	Nature of RRPT	Related Parties (#)	Interested Related Parties	Estimated value of transactions as disclosed in the last Circular to Shareholders dated 22 September 2022 (RM/-)	Actual value transacted from the previous AGM up to 31 May 2023 being the latest practicable date (RM/-)	Estimated value from 14 September 2023 to the next AGM (^) (RM/-)
EPSB	(N1)	UCMSB	Chan Lay Li	250,000	8,606	250,000
EPSB	(N2)	CPI	Chan Lay Li	10,000,000	2,333,346	0
EPSB	(N3)	CPI	Chan Lay Li	2,500,000	0	0
EPSB	(N4)	CPI	Chan Lay Li	156,000	107,900	0
EPSB	(N5)	CPI	Chan Lay Li	300,000	161,550	0
EPSB	(N6)	BCM	Chan Lay Li	600,000	415,000	700,000
EPSB	(N7)	EVIET	Lim Teik Hian	7,500,000	4,072,607	8,500,000

#) A related company means a company which has common Directors or Major Shareholders with the Group or persons connected with such Directors and Major Shareholders.

([^]) *The estimated value of the transactions for the period from the date of the forthcoming AGM to the date of the next AGM are based on past transactions and/or management estimates and on the assumptions that current levels of operations will continue and all external conditions remain constant. Due to the nature of the transactions, the actual value of the transactions may vary from the estimated value disclosed above.*

Notes:

- (N1) EPSB sells and purchase souvenir products to and from UCMSB.
- (N2) EPSB buys plastic component parts from CPI.
- (N3) EPSB sells materials to CPI.
- (N4) EPSB is renting a factory space to CPI.
- (N5) EPSB is renting injection moulding machine to CPI.
- (N6) EPG is renting the factory premises from BCM.
- (N7) EPSB buys trophy bases, semi-finished and finished plastic trophy parts from EVIET. EPSB also sells materials, trophy components & parts to EVIET.

All above outstanding amount due under the RRPT is within the limit of credit term except for CPI amounting to RM2,225,168 and EVIET amounting to RM954,601 as at the end of the financial year ended 31 March 2023. Subsequent to year end, the Group has received the payments of RM1,040,670 from CPI and full payment of RM954,601 from EVIET respectively.

The Group does not impose any late payment charges to these related parties as the Group and related parties have entered into repayment plan to settle the overdue outstanding amount owing by related parties.

The interested related parties mentioned in Section 2.1 are interested in the transactions due to the following:

- (a) On 3 April 2023, Chan Lay Li disposed of 100% of CPI shares to a third party and ceased to be a Director of CPI on the same date.
- (b) Chan Lay Li is a Major Shareholder of UCMSB and she holds 90% of the total issued and paid-up capital of UCMSB. EMICO does not hold any shares in UCMSB.
- (c) Chan Lay Li owns 100% of the total issued and paid-up capital of BCM.
- (d) Lim Teik Hian is a director of EVIET and holds 10% of the total issued and paid-up capital of EVIET. EMICO does not hold any shares in EVIET.

Lim Teck Chye is Director and Major Shareholder of EMICO. While Chan Lay Li, Lim Teik Hian, Lim Poh Hoon and Darren Lim Yan Da are persons connected to Director and/or Major Shareholders of EMICO.

The family relationship between the Director, Major Shareholders and persons connected to Director and/or Major Shareholders of EMICO are as follows:

- (a) Lim Teik Hian, Lim Teck Chye and Lim Poh Hoon are siblings.
- (b) Chan Lay Li is the spouse of Lim Teik Hian.
- (c) Darren Lim Yan Da is the son of Lim Teik Hian.

2.2 Guideline on Thresholds of Authority

There are no specific thresholds for approval of Recurrent Transactions within the Group. However, all Recurrent Transactions are subject to approval of the appropriate levels of authority as determined by the Board from time to time, subject to the provisions in the Listing Requirements and/or the Act, where necessary:

<u>Approval Limit (each transaction)</u>	<u>Approval Authority</u>
RM200,000 and above	Audit and Risk Management Committee
More than RM50,000 but not more than RM200,000	Executive Director

Not more than RM50,000

Procurement Manager

Where a Director has an interest (direct or indirect) in any RRPT, such Director shall abstain from deliberating over such transaction.

In compliance with Part E, Paragraph 10.09 of the Listing Requirements, EMICO will immediately announce a Recurrent Transaction(s) where:-

- i) the consideration, value of the assets, capital outlay or cost of the aggregated transactions is RM 1 million or more; or
- ii) any one of the percentage ratios of such aggregated transactions is equal or exceeds 1%, whichever is the higher.

2.3 Guidelines and Review Procedures in relation to recurrent related party transactions

The Group had established and implemented the following guidelines and review procedures to ensure that recurrent related party transactions are not to the detriments of the minority shareholders and are undertaken on arm's length and are on normal commercial terms which are on terms not more favourable to the related party than those extended to third parties/public:

- (a) The scope and definition of arm's length and normal commercial terms clearly stated and the procedures and guidelines in determining the pricing, quality, reasonability, fairness and so forth for the Group's best interest together with class of related party and nature of transactions be laid out in a list and regularly updated from time to time to be circulated within Group to all Executive Directors and Department Heads with notification that all recurrent related party transactions are to be undertaken on arm's length and are on normal commercial terms which are on terms not more favourable to the related party than those extended to the third parties/public.
- (b) The transaction prices, terms and conditions are determined by current market forces under similar commercial terms and normal trade practices for transactions with third parties.
- (c) All recurrent related party transaction shall be tabled to the Audit and Risk Management Committee ("ARMC") every quarter. The ARMC shall have the right to engage independent adviser or expert, if required, for the purpose of performing an independent and balance assessment, evaluation and comparison of transaction price, terms and conditions prior into making any decision approving the recurrent related party transactions.
- (d) The management and head of finance department shall assist to monitor all recurrent related party transactions complied with the guidelines and procedures set up and to report on its findings and to update the ARMC, quarterly.
- (e) The Company shall maintain a record of all recurrent related party transactions which have been approved by shareholders and the ARMC. The purpose of the said record is to ensure that all relevant approvals have been obtained and procedures have been complied with.
- (f) The list of RRPT will be reviewed by management and ARMC every quarterly. If during the quarterly review the ARMC should be of the view that the guidelines and review procedures are no longer appropriate or adequate to ensure recurrent related party transactions will be carried out on normal commercial terms or will be prejudicial to shareholders, the Company will seek a fresh mandate from shareholders based on new guidelines and review procedures.
- (g) At least 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 the quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Group in accordance with applicable industry norms, prevailing commercial rates and at rates not more favourable to the related parties than those generally available to the public and not detrimental to the Emico Group.

2.4 Statement by Audit and Risk Management Committee (“ARMC”)

The ARMC is satisfied that the guidelines and review procedures for related party transactions are sufficient to ensure that such transactions are undertaken on arm’s length basis and will be carried out on normal commercial terms which are not prejudicial to the interests of shareholders. The ARMC will ensure that the terms of the recurrent related party transactions are no more favourable to the related party than those generally available to the public and the recurrent related party transactions are not detrimental to the minority shareholders of EMICO.

The ARMC is also of the view that the Group has in place adequate procedures and processes to monitor, track and identify Recurrent Transactions in a timely and orderly manner. The ARMC’s review procedures will be conducted on a quarterly basis together with the review of quarterly results, or such frequency as the committee considers appropriate having regard to the value and frequency of RRPT.

3. DETAILS OF SHAREHOLDINGS

3.1 Director

The details of direct or indirect interest of Director as at 7 July 2023 are as follows:

Name of Directors	Direct Interest	%	Indirect Interest	%
Lim Teck Chye	26,828,247	21.53	2,962,312 (N1)	2.38

Notes:

(N1) Deemed interested via shares held by Beng Choo Marketing Sdn. Bhd. and his family member namely, Lim Poh Hoon (sister).

As interested Director of EMICO, namely Lim Teck Chye will continue to abstain from all Board deliberations and voting on the Proposed Shareholders’ Mandate. He will also abstain from voting in respect of his direct/indirect shareholdings on the resolutions approving the Proposed Shareholders’ Mandate to be tabled at the forthcoming AGM.

3.2 Major Shareholders

The details of direct or indirect interest of Major Shareholders as at 7 July 2023 are as follows:

Major Shareholders	Direct Interest	%	Indirect Interest	%
Lim Teck Chye	26,828,247	21.53	2,962,312 (N1)	2.38
Lim Poh Hoon	112,000	0.09	29,678,559 (N1)	23.82
Lim Teik Hian	-	-	29,790,559 (N1)	23.91
Darren Lim Yan Da	-	-	29,790,559 (N1)	23.91

As interested Major Shareholders, namely Lim Teik Hian, Lim Poh Hoon, Lim Teck Chye and Darren Lim Yan Da will abstain from voting in respect of their direct/indirect shareholdings on the resolutions approving on the Proposed Shareholders’ Mandate to be tabled at the forthcoming AGM.

3.3 Person connected with Directors and/or Major Shareholders

The details of direct or indirect interest of person connected with Directors and/or Major Shareholders who is not a Director and/or Major Shareholder as at 7 July 2023 is as follow:

Person connected	Direct Interest	%	Indirect Interest	%
Chan Lay Li	-	-	2,850,312 (N3)	2.29

Notes:

(N3) Deemed interested by virtue of Section 8 of the Companies Act held through Beng Choo Marketing Sdn. Bhd.

Chan Lay Li will abstain from voting on the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM in respect of her direct and/or indirect shareholdings in EMICO.

Save as disclosed above, none of the Directors and/or Major Shareholders and/or persons connected with them have any interest, direct or indirect in the Proposed Shareholders' Mandate.

The interested Directors and/or Major Shareholders have undertaken that they shall ensure that the persons connected with them will abstain from voting on the resolutions approving the Proposed Shareholders' Mandate at the AGM.

4. RATIONALE OF THE PROPOSED SHAREHOLDERS' MANDATE

Purchase/sale of souvenirs products from/to UCMSB

UCMSB is principally a trading company. UCMSB has been appointed as one of the Group's distributors to market souvenirs products manufactured by EPSB. The selling price of each product to the related party is based on normal selling price to existing third parties who are EPSB distributors. The sale of souvenir products to UCMSB has enhanced the Group's sales. EPSB also purchased from UCMSB some souvenirs products as it is the distributor for certain overseas suppliers which EPSB can purchase at competitive price. The transactions are conducted on normal commercial terms and on terms not more favourable to the related party than those extended to third parties/public.

Rental of factory premises at 93, Halaman Kg. Jawa, 11900 Bayan Lepas, Penang from BCM

EPSB is renting the factory premises from BCM at RM50,000 per month based on not more favourable than the current market rental rate. The said factory premises with net usable area of 60,178 square feet is used for the manufacturing of vacuum metalizing trophy parts. The transaction is conducted on normal commercial terms and on terms not more favourable to the related party than those extended to third parties/public.

EPSB purchases trophy bases, semi-finished and finished plastic parts and components from EVIET. EPSB also sells materials, trophy components & parts to EVIET.

EPSB is purchasing trophy bases, semi-finished and finished plastic parts and components from EVIET. The products purchased from EVIET are labour intensive in nature and are not competitive to produce in Malaysia in view of the high labour cost content. As such, with the appointment of Lim Teik Hian as a director of EVIET, EMICO is able to ensure that the quality and specifications of EMICO orders are maintained at all times. In addition, EVIET also purchase materials, trophy component and parts from EPSB to be assembled in Vietnam and sold in domestic market. The transaction is conducted on normal commercial terms and on terms not more favourable to the related party than those extended to third parties/public.

5. APPROVALS REQUIRED

The Proposed Shareholders' Mandate are subject to approval being obtained from the shareholders of EMICO at the forthcoming AGM.

6. DIRECTORS' RECOMMENDATION

The Directors (save for Director namely Lim Teck Chye who is deemed interested in the Proposed Shareholders Mandate as mentioned in paragraph 2.1 of this Circular and has abstained from forming an opinion), having considered all aspects of the Proposed Shareholders' Mandate, are of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Company.

Accordingly, the Directors (with the exception of Lim Teck Chye who is interested in the Proposed Shareholders' Mandate as mentioned in paragraph 2.1 of this Circular and have abstained from making recommendation) recommend that you vote in favour of the Ordinary Resolutions to be tabled at the AGM.

7. FURTHER INFORMATION

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

8. ANNUAL GENERAL MEETING

The Notice of the 31st AGM to consider if thought fit, pass the Ordinary Resolution pertaining to the Proposed Shareholders Mandate under the agenda of Special Business as set out herein is also enclosed in the Annual Report 2023. The 31st AGM will be held at The Conference Room of Emico Holdings Berhad, 18 Lebuhraya Kampung Jawa, 11900 Penang on Thursday, 14 September 2023 at 11.00 a.m..

If you are unable to attend and vote in person at the 31st AGM of the Company and wish to appoint a proxy to attend and vote in your stead, you are requested to complete, sign and return the Proxy Form in accordance with the instructions printed therein as soon as possible and in any event must be deposited at the registered office of the Company at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not later than 48 hours before the time fixed for the 31st AGM or any adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll. The lodging of the Proxy Form will not preclude you from attending and voting in person should you subsequently wish to do so.

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

NG HONG KIAT @ NG HAN KIAT
Independent Non-Executive Director

APPENDIX I – GENERAL INFORMATION

1. RESPONSIBILITY STATEMENT

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

2. MATERIAL LITIGATIONS

Neither EMICO nor its subsidiaries are engaged in any litigation, claims and/or arbitration, either as plaintiff or defendant and which has a material and adverse effect on the financial position of EMICO Group and the Directors do not have any knowledge of any proceedings, pending or threatened, or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the EMICO Group.

3. MATERIAL CONTRACT

Save as disclosed below, there are no other material contracts (not being contracts entered into the ordinary course of business) which have been entered into by EMICO and/or its subsidiaries within the past two (2) years preceding the date of this circular.

On 3 May 2023, Emico Development Sdn. Bhd., a wholly-owned subsidiary of the Company had entered into a Share Sale Agreement with Permodalan Kedah Berhad for the purchase of 20% equity interest in PKB-Operasi Tembaga Sdn. Bhd. for a total consideration of RM3,605,829.44.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal office hours Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the AGM:-

- I) The Constitution of EMICO;
- II) The audited consolidated accounts of EMICO Group for the financial year ended 31 March 2022 and 31 March 2023.
- III) Material contract refers to Section 3 above.

INFORMATION ON ANNUAL GENERAL MEETING

- **NOTICE OF ANNUAL GENERAL MEETING**
- **PROXY FORM**
- **ANNUAL REPORT 2023 REQUEST FORM**



EMICO HOLDINGS BERHAD
Registration No. 199101020015 (230326-D)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 31st Annual General Meeting (“AGM”) of Emico Holdings Berhad (“Emico” or “the Company”) will be held at The Conference Room of Emico, 18 Lebuhraya Kampung Jawa, 11900 Bayan Lepas, Penang on Thursday, 14 September 2023 at 11.00 a.m. for the following purposes :-

AGENDA

ORDINARY BUSINESS:

- | | | |
|----|--|------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 March 2023 together with the Reports of the Directors and Auditors thereon. | Please refer to Note 9 |
| 2. | To re-elect Mr. Ng Hong Kiat @ Ng Han Kiat, a Director who retires by rotation in accordance with Article 103 of the Company’s Constitution and who, being eligible, offers himself for re-election. | Resolution 1 |
| 3. | To re-elect Ms. Lim Lay Khim, a Director who retires pursuant with Article 110 of the Company’s Constitution and who, being eligible, offers herself for re-election. | Resolution 2 |
| 4. | To approve the payment of Directors’ fees of not exceeding RM100,000 to the Executive Directors of the Company for the financial year ending 31 March 2024. | Resolution 3 |
| 5. | To approve the payment of Directors’ fees of not exceeding RM150,000 to the Non-Executive Directors of the Company for the financial year ending 31 March 2024. | Resolution 4 |
| 6. | To approve the payment of Directors’ benefits up to an amount not exceeding RM100,000 payable to the Non-Executive Directors of the Company from the conclusion of the 31 st AGM until the conclusion of the next AGM of the Company. | Resolution 5 |
| 7. | To re-appoint Messrs. BDO PLT as Auditors of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration. | Resolution 6 |

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications the following ordinary resolutions:-

- | | | |
|----|---|---------------------|
| 8. | AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016
“THAT, pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, the Directors be hereby authorised to allot and issue new shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company. | Resolution 7 |
|----|---|---------------------|

THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Article 64 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016.

THAT any one of the Executive Directors and/or Secretary of the Company be hereby empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and to do all such acts and things necessary to give full effect to such transactions as authorised by this resolution.

AND THAT, such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.”

9. **PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **Resolution 8**

“THAT, subject to the Companies Act 2016 (“CA 2016”), the Company’s Constitution, the Main LR of Bursa Securities and all other applicable laws, guidelines, rules and regulations, the authority be hereby given for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature (“Proposed Renewal of Shareholders’ Mandate”) as set out in the Circular to Shareholders in relation to the Proposed Renewal of Shareholders’ Mandate provided that such transactions are in the ordinary course of business which are necessary for the day-to-day operations on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders and that such authority shall continue to be in force until :

- (a) the conclusion of the next AGM of the Company following the AGM at which the Proposed Renewal of Shareholders’ Mandate is passed, at which time it will lapse, unless by an ordinary resolution passed at the AGM, the authority is renewed;
- (b) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier;

And that, the Executive Directors of the Company be hereby authorised to complete and do all such acts including executing any documents as may be required to give full effect to such transactions authorised by this resolution.”

10. To transact any other business of which due notice shall have been given in accordance with the Company’s Constitution and the Companies Act 2016.

By Order of the Board

LEE PENG LOON (MACS 01258)
SSM PC NO. 201908002340

P’NG CHIEW KEEM (MAICSA 7026443)
SSM PC NO. 201908002334
Company Secretaries

Penang
Date: 31 July 2023

NOTES ON APPOINTMENT OF PROXY

1. A proxy may but need not be a member of the Company.
2. A member shall be entitled to appoint up to a maximum of 2 proxies to attend and vote at the same meeting.
3. Where a member appoints 2 proxies to attend and vote at the same meeting, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”), it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of 2 proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
5. Where a member is an Exempt Authorised Nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies it may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA.
6. The proxy form shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation’s common seal or under the hand of an officer or attorney duly authorised.
7. For a proxy to be valid, the proxy form duly completed must be deposited at the registered office of the Company at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than 48 hours before the time for holding the meeting or adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll. The completed Proxy Form transmitted by facsimile or electronic mail (e-mail) will not be accepted.
8. Only a Depositor whose name appears on the Record of Depositors on 25 August 2023 (General Meeting Record of Depositors) shall be eligible to attend the AGM or appoint proxies to attend and/or vote on his/her behalf.

NOTES ON ORDINARY BUSINESS

9. **Agenda 1 – Audited Financial Statements**

The Audited Financial Statements for the financial year ended 31 March 2023 will be laid to shareholders at the forthcoming 31st AGM of the Company pursuant to Section 340(1)(a) of the Companies Act 2016. Hence, the Agenda 1 is not put forward for voting.

10. **Agenda 2 and Agenda 3 – Re-election of Directors**

The Nominating Committee had assessed the performance and contribution of each of the retiring Directors seeking for re-election and was satisfied therewith. The Board had endorsed the Nominating Committee’s recommendation to seek shareholders’ approval for the re-election of the retiring Directors at the forthcoming 31st AGM of the Company. The retiring Directors had abstained from deliberations and decisions on their respective re-election at the Nominating Committee and Board meetings. The details and profiles of the Directors who are standing for re-election at the forthcoming 31st AGM are provided in the Company’s Annual Report 2023.

11. **Agenda 4 and Agenda 5 – Directors’ Fees**

The Resolution 3 and 4, if passed, will enable the Company to pay Directors’ fees to the Executive Directors and Non-Executive Directors of the Company for the financial year ending 31 March 2024 in accordance with Section 230(1) of the Companies Act 2016.

12. **Agenda 6 – Directors’ Benefits**

The Resolution 5, if passed, will enable the Company to pay benefits to Non-Executive Directors of the Company in accordance with Section 230(1) of the Companies Act 2016. The total amount of Directors’ benefits payable is estimated based on number of scheduled meetings of the Board and Board Committees as well as the number of Non-Executive Directors involved; and these benefits may comprised of meeting allowances, trainings, accommodations, insurance and other emoluments and benefits-in-kinds.

13. **Agenda 7 – Re-appointment of Auditors**

The Audit & Risk Management Committee and the Board had considered the re-appointment of Messrs. BDO PLT as Auditors of the Company. The Audit & Risk Management Committee and the Board collectively agreed and are satisfied that Messrs. BDO PLT meets the relevant criteria prescribed in Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

NOTES ON SPECIAL BUSINESS

14. **Agenda 8 - Authority to issue shares pursuant to Companies Act 2016**

The Resolution 7, if passed, will enable the Directors to allot and issue new shares in the Company up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider will be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in a general meeting will expire at the conclusion of the next AGM.

The proposed renewal of general mandate for issuance of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares for the purpose of funding future investment, working capital and/or acquisition.

As at the date of this notice, the Directors have not issued any shares pursuant to the general mandate granted at the last AGM of the Company.

15. **Agenda 9 – Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The Resolution 8, if passed, will enable the Company and its subsidiaries to enter into recurrent transactions involving the interests of the related parties which are of a revenue or trading nature and necessary for the Group’s day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of minority shareholders of the Company. Further information of the Proposed Renewal of Shareholders’ Mandate is set out in the Circular to Shareholders dated 31 July 2023, a copy of which can be downloaded from the Company’s website <https://emico.com.my/agm-event/>

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27(2) OF MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES)

- 1) No individuals are standing for election as Directors at the forthcoming 31st Annual General Meeting of the Company.
- 2) The profiles of the Directors who are standing for re-election as in Agenda 2 and 3 of the Notice of the 31st Annual General Meeting of the Company are set out in the Board of Directors' Profile section of this Annual Report 2023.
- 3) The details of the Directors' interests in the securities of the Company as at 7 July 2023 are set out in the Analysis of Shareholdings section of this Annual Report 2023.
- 4) The Resolution 7 tabled under Special Business as per the Notice of 31st Annual General Meeting of the Company dated 31 July 2023 is a renewal of general mandate granted by shareholders of the Company at the last Annual General Meeting held on 22 September 2022.

The proposed renewal of general mandate for issuance of new shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for the purpose of funding future investment, working capital and/or acquisition.

As at the date of notice of meeting, the Directors have not issued any shares pursuant to the general mandate granted at the last Annual General Meeting of the Company.

PROXY FORM

Number of Shares Held	CDS ACCOUNT NO.									

EMICO HOLDINGS BERHAD
 Registration No. 199101020015 (230326-D)
 Incorporated in Malaysia

* I /We..... (*I/C No./Passport No./Company No.)
 (Full Name in Block Letters)

of(Address)

being a * member / members of the abovenamed Company, hereby appoint

Full Name in Block Letters	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

* and/or (*delete if not applicable)

Full Name in Block Letters	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

or failing whom, the Chairman of the meeting as *my/our proxy to vote for *me/us on *my/our behalf at the 31st Annual General Meeting ("AGM") of the Company to be held at The Conference Room of Emico Holdings Berhad, 18 Lebuh raya Kampung Jawa, 11900 Bayan Lepas, Penang on Thursday, 14 September 2023 at 11.00 a.m., and at any adjournment thereof.

NO.	RESOLUTIONS	FOR	AGAINST
1.	To re-elect Mr. Ng Hong Kiat @ Ng Han Kiat as a Director of the Company.		
2.	To re-elect Ms. Lim Lay Khim as a Director of the Company.		
3.	To approve the payment of Directors' Fees to Executive Directors.		
4.	To approve the payment of Directors' Fees to Non-Executive Directors.		
5.	To approve the payment of Directors' Benefits to Non-Executive Directors.		
6.	To re-appoint BDO PLT as Auditors of the Company.		
7.	To authorise the Directors to allot and issue new shares in the Company.		
8.	To obtain a renewal of shareholders' mandate for recurrent related party transactions.		

Please indicate with an "x" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy may vote as he thinks fit.

Signed this day of....., 2023.

.....
 Signature(s)/Common Seal of member(s)

Notes:

- A proxy may but need not be a member of the Company.
- A member shall be entitled to appoint up to a maximum of 2 proxies to attend and vote at the same meeting.
- Where a member appoints 2 proxies to attend and vote at the same meeting, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of 2 proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- Where a member is an Exempt Authorized Nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies it may appoint in respect of each omnibus account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA.
- The proxy form shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.
- For a proxy to be valid, the proxy form duly completed must be deposited at the registered office of the Company at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than 48 hours before the time for holding the AGM or adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll. The completed Proxy Form transmitted by facsimile or electronic mail (e-mail) will not be accepted.
- Only a Depositor whose name appears on the Record of Depositors on 25 August 2023 (General Meeting Record of Depositors) shall be eligible to attend the AGM or appoint proxies to attend and/or vote on his/her behalf.

**strike out whichever is not desired.*

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Stamp

The Company Secretary
EMICO HOLDINGS BERHAD
Registration No. 199101020015 (230326-D)
51-21-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang

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