

**MESB BERHAD (COMPANY NO. 337554-D)**  
**RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OF TRADING NATURE**  
**("RRPTs")**

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**1. INTRODUCTION AND DETAILS OF THE RRPTs**

Pursuant to Paragraph 10.09(1)(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, the Board of Directors of MESB Berhad ("**the Company**" or "**MESB**") wishes to announce that following subsidiary companies, have in the ordinary course of business entered into RRPTs as disclosed below, and the percentage ratio of such RRPTs computed based the aggregate value of the consideration given/ received has exceeded 1% for the period from 1 February 2018 to 31 August 2019 :-

Parties transacting with MESB Group	Transacting company within MESB Group	Name of Interested Directors and/or Major Shareholders/ Persons Connected to them	Nature of RRPTs	Value of RRPTs* (RM)
Branded Platform Sdn. Bhd. ("Branded Platform")	Active Fit	<ul style="list-style-type: none"> <li>▪ Angsana Inai Sdn. Bhd. ("Angsana Inai")</li> <li>▪ Teoh Hwa Peng</li> <li>▪ Tan Sok Gim</li> </ul>	Sales of products from Active Fit to Branded Platform	2,801,453.40
Roncato Sdn. Bhd. ("Roncato")	Active Fit		Sales of products from Active Fit to Roncato	92,563.66
Branded Platform	Miroza		Royalty charge by Miroza	120,301.66
Total				3,014,318.72

Note : \* This figure was reported up to August 2019 as the consignment reports for September 2019 will only be received and processed in the month of October 2019.

**2. DETAILS OF THE INTERESTED DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSON CONNECTED TO THEM**

- (a) Angsana Inai is a major shareholder of MESB.
- (b) Mr Teoh Hwa Peng is a major shareholder of MESB. He is deemed interested under Section 8 of the Companies Act 2016 by virtue of his shareholdings in Angsana Inai. He is also the Directors and/or major shareholders of Branded Platform and Roncato.
- (c) Madam Tan Sok Gim is the spouse to Mr Teoh Hwa Peng and a major shareholder of MESB with an indirect interest of 22.51%. She is also the Directors and/or major shareholders of Branded Platform and Roncato.

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**3. RATIONALE FOR THE RRPTs**

The RRPTs are necessary for the day to day operation of MESB Group and are intended to meet the business need on best possible terms. The RRPTs are made in the ordinary course of business at arm's length and normal commercial terms which are not more favourable to the related parties.

**4. FINANCIAL EFFECTS**

The RRPTs will not have any effect on the issued and paid-up capital and substantial shareholders' shareholdings of the Company. The RRPTs are not expected to have any material effect on the earnings per share, gearing and net assets per share of the MESB Group.

**5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS AND PERSON CONNECTED TO DIRECTORS AND MAJOR SHAREHOLDERS**

Save as disclosed in item 3 above, none of the Directors and/or major shareholders and/or persons connected with them have any interest, whether direct or indirect in the RRPTs.

**6. STATEMENT BY THE AUDIT COMMITTEE (“AC”)**

The AC has reviewed the terms of the RRPTs and in the view that the RRPTs are in the best interest of MESB, and are fair, reasonable and on normal commercial terms and not detrimental to the interest of the minority shareholders of MESB.

**7. DIRECTORS' STATEMENT**

The Board of Directors of the Company, having taken into consideration of all aspects of the RRPTs, is of opinion that the RRPTs are in the best interest of MESB Group.

**8. APPROVAL REQUIRED**

The RRPTs are not subject to approval of shareholders of MESB as the higher aggregated percentage ratio of the value transacted is less than 5%, based on the consolidated Audited Financial Statement of MESB for the financial years ended 31 March 2017 and 31 March 2018. However, shareholders' mandate will be sought if the percentage ratio of the RRPTs is 5% and above.

This announcement is dated 10 October 2019