

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 this Circular prior to its issuance as it is an exempt document pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

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MESB BERHAD

Registration No.: 199501008356(337554-D)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE: -

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

The resolution in respect of the above proposal will be tabled as Special Business at the fully virtual Twenty-Seventh Annual General Meeting ("27th AGM" or "Meeting") of MESB Berhad ("MESB" or "the Company"). The Notice of the 27th AGM together with the Proxy Form are set out in the 2022 Annual Report of the Company.

Date and time of the 27th AGM : Tuesday, 6 December 2022 at 2:30 p.m.
Online Meeting Platform : Fully virtual basis and entirely via remote participation and electronic voting through live streaming and online remote voting via the online platform at <https://www.digitizevote.my> (Domain registration number with MYNIC: D6A474651)

As a shareholder, you can appoint a proxy or proxies to attend and vote on your behalf. The appointment of proxy(ies) may be made in a hard copy form or electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof at which the person named in the appointment proposes to vote:-

- (i) In hard copy form
In the case of an appointment made in hard copy form, the Proxy Form must be deposited at the office of the Poll Administrator, Dvote Services Sdn. Bhd. at Lot 9-7, Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
- (ii) By electronic means
The Proxy Form can be electronically lodged by email to dvoteservice@gmail.com. Kindly refer to the Administrative Notes on the procedures for electronic lodgement of the Proxy Form.

The lodging of the Proxy Form for the 27th AGM will not preclude you from attending and voting in person at the 27th AGM should you subsequently decide to do so.

DEFINITIONS

In this Circular, unless otherwise indicated, the following words and abbreviations shall have the following meanings: -

- “Act” : The Companies Act 2016 as amended from time to time and any re-enactment thereof
- “Active Fit” : Active Fit Sdn. Bhd. [Registration No. 200401022908 (661413-A)], a wholly-owned subsidiary company of MESB
- “AGM” : Annual General Meeting
- “Asia KG” : Asia KG Fibre Supplier Sdn. Bhd. [Registration No. 200301002264 (604684-X)]
- “Audit and Risk Management Committee” : Audit and Risk Management Committee of the Company
- “Board” : The Board of Directors of MESB
- “Bursa Securities” : Bursa Malaysia Securities Berhad [Registration No.: 200301033577 (635998-W)]
- “Circular” : This circular dated 31 October 2022 to the shareholders of the Company in relation to the Proposed Renewal of Shareholders’ Mandate
- “Director(s)” : A director has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the respective RRPTs were agreed upon, a director of the Company or any other company which is a subsidiary or holding company of the Company, or a chief executive officer of the Company or its subsidiary or holding company
- “Earthwise Resources” : Earthwise Resources Sdn. Bhd. [Registration No. 200101020685 (556442-T)]
- “DWSK” : Datuk Wong Sak Kuan
- “EGM” : Extraordinary General Meeting
- “Expert Resource” : Expert Resource Management Sdn. Bhd. [Registration No. 202001041814 (1398135-U)]
- “FYE” : Financial year ended/ending 30 June
- “Interested Directors” : DWSK and Wong Yu Perng
- “Listing Requirements” : Main Market Listing Requirements of Bursa Securities, including any amendments that may be made from time to time
- “LPD” : 3 October 2022, being the latest practicable date prior to the printing of this Circular
- “Major Shareholder(s)” : A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:
- (a) 10% or more of the total number of voting shares in the Company; or
- (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.

This includes any person who is or was within the preceding 6 months of the date on which the terms of the RRPTs were agreed upon, a major shareholder of MESB as defined above or any other company which is a subsidiary or holding company of MESB.

For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act.

DEFINITIONS (CONT'D)

- “Mandate Period” : The period during which the RRPTs are to be entered into for which the Proposed Renewal of Shareholders’ Mandate is being sought. This period shall commence immediately upon the passing of the ordinary resolution for the Proposed Renewal of Shareholders’ Mandate and shall continue to be in force until:
- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which the ordinary resolution for the Proposed Renewal of Shareholders’ Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
 - (ii) the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the Companies Act 2016 (“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 an ordinary resolution passed by the shareholders of the Company at a general meeting,
- whichever is earlier.
- “MESB” or the “Company” : MESB Berhad [Registration No. 199501008356(337554-D)]
- “MESB Group” or “the Group” : MESB and its subsidiary companies, collectively
- “MESB Capital & Development” : MESB Capital & Development Sdn. Bhd. [Registration No. 199001014786 (206455-X)]
- “MESB Resources” : MESB Resources Sdn Bhd [Registration No. 202101004564 (1404863-M)]
- “Miroza” : Miroza Leather (M) Sdn. Bhd. [Registration No. 199201010971 (242474-V)], a wholly-owned subsidiary company of MESB
- “N.U. Recycle” : N.U. Recycle Sdn. Bhd. [Registration No. 200701038366 (796396-X)]
- “Persons Connected” : In relation to a Director or a Major Shareholder (collectively referred to as the “said Person”), means such person who falls under any one of the following categories: -
- (a) A family member of the said Person, which means such person who falls within any one of the following categories: -
 - (i) spouse;
 - (ii) parent;
 - (iii) child including an adopted child and step-child;
 - (iv) brother or sister; and
 - (v) spouse of the person referred to in items (iii) and (iv) above
 - (b) A trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person or a family member of the said Person is the sole beneficiary;
 - (c) A partner of the said Person, which means such person who falls within any one of the following categories: -
 - (i) a person with whom the said Person, is in or proposes to enter into partnership with. “Partnership” for this purpose refers to a “partnership” as defined in Section 3 of the

DEFINITIONS (CONT'D)

Partnership Act 1961 or “limited liability partnership” as defined in Section 2 of the Limited Liability Partnerships Act 2012, as the case may be; or

(ii) a person with whom the said Person has entered or proposes to enter into a joint venture, whether incorporated or not.

(d) A person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;

(e) A person, or whether the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under obligation, whether formal or informal, to act;

(f) A body corporate in which the said Person, or person connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or

(g) A body corporate which is a related corporation of the said Person.

“Proposed Renewal of Shareholders’ Mandate”	:	Proposed renewal of existing shareholders’ mandate for MESB Group to enter into RRPTs during the Mandate Period
“Related Party(ies)”	:	Directors(s), Major Shareholder(s) and/or person(s) connected with such Director(s) or Major Shareholder(s)
“RM”	:	Ringgit Malaysia and Sen respectively
“RRPT(s)”	:	Recurrent Related Party Transaction(s) which is/are recurrent, of a revenue and/or trading nature and which is/are necessary for the day-to-day operations of the MESB Group
“Share(s)”	:	Ordinary share(s) in MESB
“Waier Trading”	:	Waier Trading Sdn. Bhd. [Registration No. 200201034340 (602005-D)]
“Waste Recycling Business”	:	The business of collection and recycling of wastepaper, plastic scrap and scrap ferrous metal
2022 Annual Report	:	Annual Report of MESB issued for the FYE 2022

Words denoting the singular number only shall include the plural and vice-versa and words denoting the masculine gender shall, where applicable, include the feminine gender, neuter gender and vice versa. Reference to persons shall include a body of persons, corporate or unincorporated (including a trust).

Any reference to a time of day shall be a reference to Malaysian time, unless otherwise stated.

Any reference to any statute is a reference to that statute as for the time being amended or re-enacted.

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

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MESB BERHAD

[Registration No. 199501008356(337554-D)]
(Incorporated in Malaysia)

REGISTERED OFFICE:

Third Floor, No. 77, 79 & 81
Jalan SS21/60
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan

31 October 2022

BOARD OF DIRECTORS

Chua Jin Kau (*Executive Chairman*)
Loke Lee Ping (*Executive Director / Chief Executive Officer*)
Datuk Wong Sak Kuan (*Non-Independent Non-Executive Director*)
Tan Yew Kim (*Independent Non-Executive Director*)
Lee Kok Heng (*Independent Non-Executive Director*)
Dato' Lee Ban Seng (*Independent Non-Executive Director*)
Wong Yu Perng (*Non-Independent Non-Executive Director*)
Chen, JianHua (*Independent Non-Executive Director*)

To: The Shareholders of MESB

Dear Sir/Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

1.0 INTRODUCTION

- 1.1 At the last AGM held on 7 December 2021, the Company had sought and obtained from our shareholders the mandate for MESB to enter into the RRPTs of a revenue and/or trading nature in the ordinary course of business based on commercial terms which are not favourable to the Related Parties other than those generally available to the public and which are necessary for MESB Group's day to day operations. The existing authority shall lapse at the conclusion of the forthcoming AGM, unless authority for its renewal is obtained from the shareholders at the forthcoming AGM.
- 1.2 On 26 October 2022, the Company announced to Bursa Securities of its intention to seek the shareholders' approval in respect of the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND TO SEEK YOUR APPROVAL ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING AGM. THE NOTICE OF THE 27TH AGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THE 2022 ANNUAL REPORT OF MESB.

2.0 DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek its shareholders' mandate in respect of RRPTs which are necessary for its day-to-day operations subject to, amongst others, 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 the aggregate value is equal to or more than the prescribed threshold under subparagraph 10.09(1) of the Listing Requirements, i.e. where the consideration, value of the assets, capital outlay or costs of the RRPTs is RM1 million or more; or the percentage ratios of such RRPTs (as prescribed in Paragraph 10.02 of the Listing Requirements) is 1% or more, whichever is the lower;
- (c) the Company's circular to shareholders for the shareholders' mandate includes the information as set out in the Listing Requirements;
- (d) in the general meeting to obtain the shareholders' approval for the Proposed Renewal of Shareholders' Mandate, the interested Directors, interested Major Shareholders, interested persons 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 approving the RRPTs. An interested Director or interested Major Shareholder must ensure that persons connected with them abstain from voting on the resolution approving the RRPTs; and
- (e) MESB immediately announces to the Bursa Securities when the actual value of the RRPT entered into by the Company, exceeds the estimated value of the RRPT disclosed in the Circular by 10% or more and must include the information as set out in the Listing Requirements in its announcement.

2.2 MESB Group has, in the ordinary course of its business, entered into certain RRPTs and is anticipated to continue to enter into such transactions with the Related Parties, the details of which as set out in Section 2.8 below. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

2.3 These RRPTs which are necessary for the day-to-day operations of MESB Group, have been/will be based on normal commercial terms, at arms' length, and will be transacted on terms that are not more favourable to the Related Parties than those generally available to the public.

2.4 Validity Period of the Proposed Renewal of Shareholders' Mandate

The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders of the Company at the forthcoming 27th AGM, will take effect from the date of the passing of the ordinary resolution at the forthcoming 27th AGM and shall continue to be in force until: -

- (a) the conclusion of the next AGM of the Company following the general meeting at which the ordinary resolution for the Proposed Renewal of Shareholders' Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- (b) the expiration of the period within which the next AGM of the Company after the date is required by law 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(3) of the Act); or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

2.5 Principal Activities of MESB Group

The principal activities of the Company are investment holding. As at LPD, the principal activities of its subsidiaries are as follows: -

Name of Company	of	Date / Country of Incorporation	Effective equity interest (%)	Principal activities
Active Fit		31 July 2004/ Malaysia	100.00	Principally engaged in brand building, concept development, fashion designing, sourcing, marketing, distribution and retailing of casual apparels and accessories
Miroza		17 June 1992/ Malaysia	100.00	Principally engaged in trading and retailing of leather products and apparels.
MESB Capital Development		18 October 1990/ Malaysia	100.00	Investment holding.
MESB Resources		5 February 2021/ Malaysia	100.00	Waste recycling management

2.6 Details of the Transacting Parties

The details of the party transacted/to be transacting with the MESB Group are as follows: -

Transacting Parties	Date / Country of incorporation	Principal activities	Nature of relationship between the Group and the Transacting Parties
Asia KG	24 January 2003/ Malaysia	Trading of recyclable materials	<p><u>DWSK</u>, a Director and Major Shareholder of MESB holding a 31.89% direct interest in the Company, is also a Director of MESB Resources and the Transacting Parties, having:-</p> <ul style="list-style-type: none"> - a 28.98% direct and 56.02%* indirect interests in Asia KG; - an indirect interest of 100%* in both Earthwise Resources and Waier Trading; - a 43.24% direct and 46.76%* indirect interests in N.U. Recycle; and - a 55.00% direct interest in Expert Resource <p>Note * : Such interests are directly held by Lotus Essential Sdn Bhd, where DWSK is having a 99.053% direct interest.</p> <p><u>Lee Wai Fun</u>, a Director of MESB Resources and a shareholder of MESB holding a 3.97% direct interest in the Company, is also a Director of Asia KG, Earthwise Resources, N.U. Recycle and Expert Resources as well as having a 10% equity interest in Asia KG and N.U. Recycle and Expert Resource.</p>
Earthwise Resources	16 August 2001/ Malaysia		
N.U. Recycle	20 November 2007/ Malaysia		
Waier Trading	27 December 2002 / Malaysia		
Expert Resource	17 December 2020 / Malaysia	Provision of remediation activities and other waste management services	

2.7 Types of RRPTs

The specific types of RRPTs which are covered under the Proposed Renewal of Shareholders' Mandate are as follows: -

(i) **Trading of wastepaper, plastic scrap and scrap ferrous metal**

Asia KG, Earthwise Resources, N.U. Recycle and Waier Trading, has trading of wastepaper, plastic scrap and scrap ferrous metal to MESB Resources

(iv) **Trading of plastic scrap and scrap ferrous metal**

Expert Resource has trading of plastic scrap and scrap ferrous metal to MESB Resources.

2.8

Nature of the RRPTs contemplated under the Proposed Renewal of Shareholders' Mandate

The RRPTs entered/ to be entered into under the Proposed Renewal of Shareholders' Mandate are as follows: -

Transacting Parties	Transacting company within the Group	Nature of RRPTs	(1) Interested Related Parties	(2) Estimated value of RRPTs as disclosed in preceding circular dated 29 October 2021	Actual value of RRPTs from date of last AGM on 7 December 2021 up to the LPD	(2) Estimated value of RRPTs from the forthcoming AGM to the next AGM in year 2023
				RM	RM	RM
Asia KG	MESB Resources	Trading of wastepaper, plastic scrap and scrap ferrous metal	DWSK Lee Wai Fun	3,000,000	-	3,000,000
Earthwise Resources				10,000,000	2,020,077	10,000,000
N.U. Recycle		6,000,000		-	6,000,000	
Water Trading		2,000,000		-	2,000,000	
Expert Resource		Trading of plastic scrap and scrap ferrous metal		12,000,000	2,164,593	12,000,000

Notes: -

(1) The nature of the relationship of the Interested Related Parties with the Group and the Transacting Parties are stated under item 2.6 above.

(2) These figures were calculated based on the management's best estimates on the expected value of RRPTs to be entered into and hence, the actual value of such RRPTs may differ from the estimated value disclosed above.

2.9 Amount owing by Related Party pursuant to the RRPT

As at LPD, there is no amount owing by the Related Party pursuant to the RRPTs that has exceeded the credit terms.

2.10 Review Procedures for the RRPTs

The MESB Group had established various guidelines and procedures to ensure that the RRPTs are undertaken on an arm's length basis, on transaction prices and terms not more favourable to the Related Parties involved than those generally available to the public and not detrimental to the minority shareholders of the Company.

The management of MESB shall review the RRPTs based on the following parameters/procedures: -

- (i) A list of Related Parties shall be circulated to management of all subsidiaries from time to time with the instruction that, all RRPTs with such Related Parties are required to be transacted on an arm's length basis, on normal commercial terms consistent with the Group's normal business practices and policies and will not be detrimental to the minority shareholders;
- (ii) RRPTs will be monitored quarterly through management reports made to the Board as well as to the Audit and Risk Management Committee;
- (iii) the Board as well as the Audit and Risk Management Committee will review the management reports quarterly to ascertain that the guidelines and procedures established to monitor the RRPTs have been complied with;
- (iv) where any director or persons connected to him has an interest (direct or indirect) in any related party transactions, such director (or his alternate) shall abstain from voting on the matter. Where any member of the Audit and Risk Management Committee is interested in any transaction, that member shall abstain from voting on any matter relating to any decisions to be taken by the Audit and Risk Management Committee with respect to such transactions;
- (v) the prices, terms and conditions of the RRPTs are based on the Group's usual business practices, market rates, the availability of the amount/resources to be transacted or negotiated on a willing buyer willing seller basis. The Group shall determine 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 produces/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 based on MESB Group's usual business practices and policies and on terms which are generally in line with industry norms to ensure that the RRPTs are not detrimental to the Company and/or the Group;
- (vi) the Audit and Risk Management Committee's review procedures will be conducted on a quarterly basis together with the review of quarterly results, or such frequency as the Audit and Risk Management Committee considers appropriate having regard to the value and the frequency of the RRPTs;

- (vii) The RRPT which is below RM1.0 million in value for each transaction is subject to the approval of any one of the Executive Directors of the Company;
- (viii) The RRPT which is RM1.0 million and above or 1% of any percentage ratios shall be reviewed and approved by the Audit and Risk Management Committee and the Board before the transaction is entered into;
- (ix) all RRPTs entered into pursuant to the general mandate shall be subjected to an annual review of the approval procedures to be undertaken by the Audit and Risk Management Committee and the Board. Approval of the shareholders would be sought at the AGM for renewal of RRPT mandate.

2.11 Disclosure in Annual Report

Disclosure will be made in the Company's Annual Report on the breakdown of the aggregate value of the RRPTs made during the financial year, amongst others, based on the following information: -

- (i) The types of RRPTs made; and
- (ii) The names of the Related Parties involved in each type of the RRPT and their relationship with the Group.

2.12 Statement by Audit and Risk Management Committee

The Audit and Risk Management Committee has seen and reviewed the procedures and is satisfied that the review procedures and processes for RRPTs, as well as the quarterly review to be made by the Audit and Risk Management Committee, are sufficient and are appropriate to ensure that the RRPTs will be carried out at arm's length and in accordance with the Group's normal commercial terms which are not more favourable to the Related Parties involved than those generally available to the public and not detrimental to the interest of the Company and its minority shareholders, and hence not disadvantageous to the Group.

Furthermore, the Audit and Risk Management Committee shall have the discretion to request for additional information pertaining to the RRPTs from independent sources or advisers. The Audit and Risk Management Committee is of the view that the Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and the procedures and processes are reviewed every quarter together with the review of quarterly results.

3.0 RATIONALE FOR AND BENEFITS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate serves to: -

- (a) facilitate future RRPTs to be entered into by the Group, which are in its ordinary course of Waste Recycling Business and to be undertaken on commercial terms and on terms not more favorable to the Related Parties than those generally available to and/or from the public, where applicable, and, in the Company's opinion, not detrimental to its minority shareholders;
- (b) enhance the Group's ability to pursue business opportunities which are time-sensitive in nature and eliminate the need for the Company to convene a separate general meeting to seek shareholders' approval for each RRPT; and

- (c) reduce the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficiency considerably and allow resources to be channeled towards attaining other corporate objectives.

In addition, the RRPTs are intended to meet the business needs of the Group on the best possible terms. By transacting with such transacting party, the Group would have an advantage of familiarity with the background and management of the Related Party concerned, thus enabling more informed commercial decisions to be made. In most dealings of the RRPTs, the Group and the Related Party have close co-operation and a good understanding of each other's business needs thus providing a platform where all parties can benefit from conducting the RRPTs.

4.0 EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate is not expected to have any material impact on the share capital, substantial shareholders' shareholdings, earnings, gearing and net assets of the Group.

5.0 APPROVAL REQUIRED

The Proposed Renewal of Shareholders' Mandate is subject to the approval of the shareholders of the Company at the forthcoming 27th AGM.

6.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save as disclosed below, none of the directors and major shareholders of MESB, and/or persons connected with them has any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate:-

- (i) DWSK is deemed interested in the Proposed Renewal of Shareholders' Mandate by virtue of him being the director and major shareholder in MESB and the Transacting Parties; and
- (ii) Mr. Wong Yu Perng is deemed interested in the Proposed Renewal of Shareholders' Mandate by virtue of him being the director in MESB and the son of DWSK.

Accordingly, the Interested Directors have abstained and will continue to abstain from deliberating and voting on the Proposed Renewal of Shareholders' Mandate at the relevant board meetings of MESB. Further, the Interested Directors will abstain from voting in respect of their direct and/or indirect shareholdings in MESB, if any, on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 27th AGM. They will also undertake to ensure that the Persons Connected to them, if any, will abstain from voting in respect of their direct and/or indirect shareholdings in MESB, deliberating or approving the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the 27th AGM.

Premised on the disclosure in Section 2.6 above, Lee Wai Fun is also deemed interested in the Proposed Renewal of Shareholders' Mandate by virtue of her directorship in MESB Resources and directorships/shareholdings in the Transacting Parties. Accordingly, Lee Wai Fun will abstain from voting in respect of her direct and/or indirect shareholdings in MESB, if any, on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 27th AGM. She will also undertake to ensure that the Persons Connected to her, if any, will abstain from voting in respect of their direct and/or indirect shareholdings in MESB, deliberating or approving the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the 27th AGM.

The direct and indirect interests of the Interested Directors and Lee Wai Fun in MESB as at the LPD are as follows:-

<u>Name</u>	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
DWSK	38,407,898	31.89	-	-
Lee Wai Fun	4,778,000	3.97	-	-
Wong Yu Perng	-	-	-	-

7.0 DIRECTORS' STATEMENT AND RECOMMENDATION

The Board (save for the Interested Directors), having considered all aspects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that the said proposal is in the best interest of the Company.

Accordingly, the Board (save for the Interested Directors) recommends that the shareholders of MESB to vote in favour of the resolution in relation to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 27th AGM.

8.0 AGM

The forthcoming 27th AGM, the notice of which is enclosed in the 2022 Annual Report of the Company will be held on a fully virtual basis and entirely via remote participation and electronic voting through live streaming and online remote voting using Remote Participation and Electronic Voting facilities via the online platform at <https://www.digitizevote.my> (Domain registration number with MYNIC: D6A474651) on Tuesday, 6 December 2022 at 2:30 p.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing, inter alia, the ordinary resolution set out in the Notice of the 27th AGM, to give effect to the Proposed Renewal of Shareholders' Mandate.

A Form of Proxy for the forthcoming 27th AGM is enclosed in the 2022 Annual Report. If you are unable to participate in the 27th AGM and wish to appoint proxy(ies) instead, the appointment of proxy(ies) may be made in a hard copy form or electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the 27th AGM or any adjournment thereof at which the person named in the appointment proposes to vote:-

(i) In hard copy form

In the case of an appointment made in hard copy form, the Proxy Form must be deposited at the office of the Poll Administrator, Dvote Services Sdn. Bhd. at Lot 9-7, Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

- (ii) By electronic means
The Proxy Form can be electronically lodged by email to dvoteservice@gmail.com. Kindly refer to the Administrative Notes on the procedures for electronic lodgement of the Proxy Form.

The lodgement of the Proxy Form will not preclude you from attending and voting in person at the 27th AGM should you subsequently wish to do so.

Shareholders are advised to refer to the Administrative Notes for the registration and voting process for the 27th AGM.

9.0 FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I of this Circular for further information.

Yours faithfully,
For and on behalf of the Board of Directors of
MESB Berhad

LOKE LEE PING
Executive Director / Chief Executive Officer

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FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. MATERIAL CONTRACTS

As at the LPD, the MESB Group has not entered into any material contract (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Circular.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, MESB Group is not involved in any material litigation, claims, or arbitration, either as plaintiff or defendant, and the Board has no knowledge of any proceedings pending or threatened against the Group or any facts which are likely to give rise to any proceedings, which may materially and adversely affect the business or financial position of the MESB Group:-

4. DOCUMENTS FOR INSPECTION

The following documents are available for inspection during normal business hours (except public holidays) at the Registered Office of the Company located at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia from the date of this Circular up to and including the date of the forthcoming 27th AGM:-

- (a) the Constitution of the Company; and
- (b) the Audited Financial Statements of MESB for the past two (2) FYE 2021 and 2022.

EXTRACT OF THE NOTICE OF THE 27TH ANNUAL GENERAL MEETING

ORDINARY RESOLUTION 8

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

"THAT, authority be and is hereby given in line with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Securities, for the Company and/or its subsidiaries to enter into any of the recurrent related party transactions with the related parties as set out in Section 2.8 of the Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate dated 31 October 2022 which are necessary for the day-to-day operations of the Company and/or its subsidiaries within the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company;

AND THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the general meeting at which the ordinary resolution for the Proposed Renewal of Shareholders' Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- (ii) the expiration of the period within which the next AGM after that date it is required by law 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 an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed Renewal of Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed Renewal of Shareholders' Mandate in the best interest of the Company."

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