

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 only perused this Circular in respect of the new shareholders’ mandate for recurrent related party transactions on a limited review basis pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

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MINHO (M) BERHAD

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED NEW AND RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS’ MANDATE”)

The above proposals will be tabled as Special Business at the Thirty-First Annual General Meeting (“AGM”) of Minho (M) Berhad (“**Minho**” or “**the Company**”) to be held at Minho (M) Berhad, Board Room, Lot 6476, Lorong Sg. Puluh, Batu 6, Off Jalan Kapar, 42100 Klang, Selangor Darul Ehsan on Tuesday, 28 June 2022 at 10.30 a.m. The Notice of Thirty-First AGM, Form of Proxy and other relevant AGM documents are available in the 2021 Annual Report of the Company, which is on the Company’s website at <https://www.minhomalaysia.com>.

The Form of Proxy must be completed and lodged at the Registered Office of the Company at 31A, Jalan Satu, Kawasan 16, Berkeley Town Centre, 41300 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the AGM if you are unable to attend the AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last date and time of lodging the Form of Proxy : **Sunday, 26 June 2022 at 10.30 a.m.**
Date and time of the AGM : **Tuesday, 28 June 2022 at 10.30 a.m.**

This Circular is dated 29 April 2022

DEFINITIONS

For the purpose of this Circular, except where the context otherwise requires, the following definitions shall apply:

Act	:	The Malaysian Companies Act, 2016 as amended from time to time and any re-enactment thereof.
AGM	:	Annual General Meeting
Board	:	The Board of Directors of Minho
Bursa Securities	:	Bursa Malaysia Securities Berhad
Code	:	Malaysian Code on Take-Overs and Mergers 1998, as amended from time to time.
Director(s)	:	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 for the purposes of the Proposed Shareholders' Mandate and includes any person who is or was within the preceding six (6) months of the date on which the terms of transactions were agreed upon, a Director of Minho, or any other company which is its subsidiary or holding company or a chief executive officer of Minho, its subsidiary or holding company.
EPS	:	Earnings per share
Listing Requirements	:	The Main Market Listing Requirements of Bursa Securities, including any amendments that may be made from time to time.
Market Day	:	Any day when Bursa Securities is open for trading of securities.
Minho or the Company	:	Minho (M) Berhad (Registration No. 199001009358 (200930-H))
Minho Group or Group	:	Minho and its subsidiary companies, as defined in Section 4 of the Act.
Major Shareholder(s)	:	A person who has an interest or interests in one or more voting shares in the Company and the 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, and includes a person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of Minho or any other company which is its subsidiary or holding company.
NA	:	Net assets

DEFINITIONS (Cont'd)

- Person(s) Connected : Such person, in relation to the Director or Major Shareholder, who falls under any one of the following categories:
- (a) A family member of the Director or Major Shareholder;
 - (b) A trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the Director, Major Shareholder or a family member of the Director or Major Shareholder is the sole beneficiary;
 - (c) A partner of the Director, Major Shareholder or a partner of a person connected with that Director or Major Shareholder;
 - (d) A person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
 - (e) A person in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
 - (f) A body corporate or its directors which/ who is/ are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
 - (g) A body corporate or its directors whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
 - (h) A body corporate in which the Director or Major Shareholder and/or persons connected with him 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
 - (i) A body corporate which is a related corporation.

Family member 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 (iii) and (iv) above.

- Proposed Shareholders' Mandate : Proposed new and renewal of shareholders' mandate in respect of the RRPT as set out in Section 2.4 of this Circular.

DEFINITIONS (*Cont'd*)

Recurrent Related Party Transaction or RRPT	:	Related party transactions involving recurrent transactions of revenue or trading nature which are necessary for the Group's day-to-day operations and are in the ordinary course of business of the Group.
Related Party(ies)	:	Director(s), major shareholder(s) or person(s) connected with such director(s) or major shareholder(s) as defined in Paragraph 1.01 of the Listing Requirements.
Related Party Transactions	:	Transactions entered into by Minho or its subsidiaries which involves the interest, direct or indirect, of a Related Party(ies).
RM and sen	:	Ringgit Malaysia and sen respectively
Share(s) or Minho Share(s)	:	Ordinary share(s) in Minho
Substantial Shareholders(s)	:	Shall have the meaning given in Section 136 of the Act.
Treasury Shares	:	The Purchased Shares which are retained by the Company and shall have the meaning given in Section 127(4)(b) of the Act
2021 Annual Report	:	Annual Report of Minho issued for the financial year ended 31 December 2021.

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

Reference to persons shall include a corporation, unless otherwise specified.

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

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CONTENTS

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE

	PAGE
1. INTRODUCTION	5
2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE	6-20
2.1 Paragraph 10.09, Part E of Chapter 10 of the Listing Requirements	
2.2 Validity of the Proposed Shareholders' Mandates	
2.3 Principal Activities of Minho Group	
2.4 Class and nature of RRPT and Estimated Values	
2.5 Outstanding amount due under the RRPT	
2.6 Guidelines and review procedures in relation to RRPT	
2.7 Statement by the Audit Committee	
3. RATIONALE OF THE PROPOSED SHAREHOLDERS' MANDATE	20
4. FINANCIAL EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE	20
5. APPROVAL REQUIRED FOR THE PROPOSED SHAREHOLDERS' MANDATE	21
6. INTEREST OF DIRECTORS AND MAJOR SHAREHOLDERS	21
7. DIRECTORS' STATEMENT AND RECOMMENDATION	21-22
8. THIRTY-FIRST-ANNUAL GENERAL MEETING	22
9. FURTHER INFORMATION	22

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MINHO (M) BERHAD
(Incorporated in Malaysia)
Registration No. 199001009358 (200930-H)

Registered Office:
31A, Jalan Satu Kawasan 16
Berkeley Town Centre
41300 Klang
Selangor Darul Ehsan

Date: 29 April 2022

The Board of Directors:

Dato' Loo Keng An @ Lee Kim An	<i>(Managing Director)</i>
Yap Leong Seng	<i>(Executive Director)</i>
Loo Say Leng	<i>(Executive Director)</i>
Khibir Bin Razali	<i>(Executive Director)</i>
Tan Choon Hian	<i>(Non-Independent Non-Executive Director)</i>
Lim Kim Meng	<i>(Independent Non-Executive Director)</i>
Haji Mohd Faizal Bin Haji Abdual Majid	<i>(Independent Non-Executive Director)</i>
Jeannie Lim Li Tein	<i>(Independent Non-Executive Director)</i>

To : The Shareholders of Minho (M) Berhad

Dear Sir/Madam,

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

1. INTRODUCTION

The Company had at its Thirtieth AGM held on 28 September 2021, obtained from its shareholders, a mandate for the Company and/or subsidiaries of the Company to enter into certain RRPTs based on the terms set out in the Circular/Statement to Shareholders dated 19 May 2021. The shareholders' mandate shall, in accordance with the Listing Requirements, lapse unless authority for its renewal is obtained from the shareholders of Minho.

Accordingly, the Board of Directors had on 15 April 2022 announced the Company's intention to seek the approval of its shareholders for the proposed new and renewal of existing shareholders' mandate for RRPT ("Proposed Shareholders' Mandate") as set out in Section 2.4 of this Circular at the forthcoming Thirty-First AGM.

The purpose of this Circular is to provide you with the details of the Proposed Shareholders' Mandate and to seek your approval for the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming Thirty-First AGM.

The Notice of Thirty-First AGM, Form of Proxy and other relevant AGM documents are available in the 2021 Annual Report of the Company, which is on the Company's website at <https://www.minhomalaysia.com>.

SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSAL TO BE TABLED AT THE FORTHCOMING THIRTY-FIRST AGM.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Paragraph 10.09, Part E of Chapter 10 of the Listing Requirements

Pursuant to paragraph 10.09(2) of Chapter 10 of the Listing Requirements, a listed issuer may seek a shareholders' mandate in respect of RRPT of a revenue or trading nature which are necessary for its day-to-day operations, subject to, inter alia, the following:-

- (i) 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;
- (ii) 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:-
 - (a) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1 million; or
 - (b) any one of the percentage ratios of such transactions is equal to or exceed 1%,

whichever is the higher,
- (iii) the issuance of a Circular to shareholders by the listed issuer containing information as specified in the Listing Requirements; and
- (iv) in a meeting to obtain shareholders' mandate, the interested Director(s), interested Major Shareholder(s) or interested person(s) connected with the Director(s) or Major Shareholder(s); and where it involves the interest of an interested person connected with the 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.
- (v) to immediately announce to Bursa Securities when the actual value of the RRPT entered into, exceeds the estimated value of the RRPT disclosed in the Circular by 10% or more.

2.2 Validity period of the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate will, if approved by the shareholders at the forthcoming AGM, be subject to annual renewal. In this respect, any authority conferred by the shareholders' mandate shall only continue to be in force until:

- a) the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the next AGM, the mandate is renewed; or
- b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("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 a resolution passed by the Company's shareholders in a general meeting

whichever is the earliest.

2.3 Principal Activities of Minho Group

Minho is an investment holding company and the principal activities of the subsidiary companies are manufacturing, exporting and dealing of timber and timber related products.

The list of Minho's subsidiaries involved in the related party transactions is as follows:

Name of Subsidiary Companies	Principal activities	% Effective Ownership
Syarikat Minho Kilning Sdn. Bhd.	Timber kiln drying processing and its related activities	100%
Syarikat Vinco Timber Industries Sdn. Bhd.	Investment Holding	100%
Lionvest Corporation (Pahang) Sdn. Bhd.	Exploitation of timber concessions, trading in timber logs and operation of an integrated timber complex and letting of premises	100%
Victory Enterprise Sdn. Bhd.	Manufacturing and exporting of sawn timber, dealing in moulded timber and trading of garden furniture	100%
Indah Paper Industries Sdn. Bhd.	Manufacturing and distribution of industrial paper bags	100%
Euro-CGA Sdn. Bhd.	Manufacturing, marketing and exporting of moulded timber products	30.80%
Costraco Sdn. Bhd.	Exports of processed timber products	51%
Indah Wood Products Sdn Bhd (In MVL)	Exports of processed timber products	51%
Lionvest Plantation Sdn. Bhd.	Dormant	100%
Abadi Canggih Sdn. Bhd.	Dormant	100%
Lionvest Timber Industries Sdn. Bhd.	Sawmills, dealing in timber and its related products	51%
Solvance Industry Sdn. Bhd.	Dormant	100%
Idaman Heights Sdn. Bhd.	Investment Holding	100%
My Squares Development Sdn. Bhd.	Property development and building construction	51%

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2.4 Class and nature of the RRPT and Estimated Values

2.4.1 Existing RRPT

The RRPT, as set out below, are transactions to be entered into by Minho Group relating to provision or the obtaining of products and services to or from the Related Parties in the ordinary course of business:

Nature of Transaction(s)	Transacting Parties		Interested Directors/Major Shareholders/ persons connected to Directors or Major Shareholders	Estimated Values as disclosed in the Circular to Shareholders dated 19/05/2021 (RM'000)		Actual value Transacted from 30/06/2021 to 01/04/2022 (RM'000) #		#Estimated Value of Transactions from 28/6/2022 to the next AGM (RM'000)	
	Related Party	Minho Group		Receivables	Payable	Receivables	Payable	Receivables	Payable
Purchase of timber	D M Timber Sdn Bhd (“DM”)	Lionvest Timber Industries Sdn Bhd (“LTI”)	<ul style="list-style-type: none"> ● Minho Holdings Sdn Bhd (“Minho Holdings”) is a major shareholder of Minho and holds 51% interest in DM. ● Dato’ Loo Keng An, a director and major shareholder of Minho. ● Dato’ Loo Keng An is also a director of DM and a major shareholder of Minho Holdings. 	-	15,000	-	3,151	-	15,000
Rental & Storage Charges ⁽ⁱ⁾	Minho Kilning (Klang) Sdn Bhd (“MKK”)	Syarikat Minho Kilning Sdn Bhd (“SMK”)	<ul style="list-style-type: none"> ● Minho Holdings holds 100% interest in MKK. ● Minho Holdings is a major shareholder of Minho 	-	9,000	-	2,613	-	9,000

Nature of Transaction(s)	Transacting Parties		Interested Directors/Major Shareholders/ persons connected to Directors or Major Shareholders	Estimated Values as disclosed in the Circular to Shareholders dated 19/05/2021 (RM'000)		Actual value Transacted from 30/06/2021 to 01/04/2022 (RM'000) #		#Estimated Value of Transactions from 28/6/2022 to the next AGM (RM'000)	
	Related Party	Minho Group		Receivables	Payable	Receivables	Payable	Receivables	Payable
Insurance brokerage fee	Oak Three Sdn Bhd (“OT”)	SMK	<ul style="list-style-type: none"> ● Mr Loo Say Leng is a director of OT and Minho ● Mr Loo Say Leng is also a major shareholder of Minho Holdings and a person connected to Dato’ Loo Keng An, a major shareholder of Minho. ● Minho holds 100% interest in SMK 	-	800	-	25	-	800
Sales of sawn timber and its related products.	Mahawangsa Timber Industries Sdn Bhd (“MTI”)	LTI	<ul style="list-style-type: none"> ● Minho Holdings is a major shareholder of Minho and holds 51% interest in DM. ● DM is a major shareholder of MTI ● Dato’ Loo Keng An is a director and major shareholder of Minho Holdings and also a director of DM and MTI ● Mr Loo Say Cheng is a director of MTI and LTI and also a nephew of Dato’ Loo Keng An 	4,000	-	529	-	4,000	-
Purchase of logs				-	20,000	-	2,391	-	20,000

Nature of Transaction(s)	Transacting Parties		Interested Directors/Major Shareholders/ persons connected to Directors or Major Shareholders	Estimated Values as disclosed in the Circular to Shareholders dated 19/05/2021 (RM'000)		Actual value Transacted from 30/06/2021 to 01/04/2022 (RM'000) #		#Estimated Value of Transactions from 28/6/2022 to the next AGM (RM'000)	
	Related Party	Minho Group		Receivables	Payable	Receivables	Payable	Receivables	Payable
Construction cost for infrastructure & building works	Pembinaan Infra E&J Sdn Bhd ("EJ")	My Squares Development Sdn Bhd ("MS")	<ul style="list-style-type: none"> • EJ is a major shareholder of MS 	-	20,000	-	-	-	20,000
Purchase of timber	MTI	Costraco Sdn Bhd ("CSB")	<ul style="list-style-type: none"> • Minho Holdings is a major shareholder of Minho and holds 51% interest in DM. • DM is a major shareholder of MTI. • Dato' Loo Keng An is a director and major shareholder of Minho Holdings. • Dato' Loo Keng An is also a director of DM, MTI and CSB. 	-	19,000	-	610	-	19,000

Nature of Transaction(s)	Transacting Parties		Interested Directors/Major Shareholders/ persons connected to Directors or Major Shareholders	Estimated Values as disclosed in the Circular to Shareholders dated 19/05/2021 (RM'000)		Actual value Transacted from 30/06/2021 to 01/04/2022 (RM'000) #		#Estimated Value of Transactions from 28/6/2022 to the next AGM (RM'000)	
	Related Party	Minho Group		Receivables	Payable	Receivables	Payable	Receivables	Payable
Purchase of timber	MTI	Indah Wood Products Sdn Bhd (“IWPSB”) (In MVL)	<ul style="list-style-type: none"> ● Minho Holdings is a major shareholder of Minho and holds 51% interest in DM. ● DM is a major shareholder of MTI. ● Dato’ Loo Keng An is a director and major shareholder of Minho Holdings. ● Dato’ Loo Keng An is also a director of DM, MTI and IWPSB. 	-	3,500	-	-	-	3,500
Purchase of timber	MTI	Euro-CGA Sdn Bhd (“ECSB”)	<ul style="list-style-type: none"> ● Minho Holdings is a major shareholder of Minho and holds 51% interest in DM. ● DM is major shareholder of MTI. ● Dato’ Loo Keng An is a director and major shareholder of Minho Holdings. ● Dato’ Loo Keng An is also a director of DM, MTI and ECSB 	-	5,500	-	13	-	5,500

Nature of Transaction(s)	Transacting Parties		Interested Directors/Major Shareholders/ persons connected to Directors or Major Shareholders	Estimated Values as disclosed in the Circular to Shareholders dated 19/05/2021 (RM'000)		Actual value Transacted from 30/06/2021 to 01/04/2022 (RM'000) #		#Estimated Value of Transactions from 28/6/2022 to the next AGM (RM'000)	
	Related Party	Minho Group		Receivables	Payable	Receivables	Payable	Receivables	Payable
Purchase of timber	MTI	Victory Enterprise Sdn. Bhd. (“VESB”)	<ul style="list-style-type: none"> ● Minho Holdings is a major shareholder of Minho and holds 51% interest in DM. ● DM is a major shareholder of MTI. ● Dato’ Loo Keng An is a director and major shareholder of Minho Holdings. ● Dato’ Loo Keng An is also a director of DM and MTI. ● Minho holds 100% interest in VESB 	-	5,500	-	-	-	5,500

Nature of Transaction(s)	Transacting Parties		Interested Directors/Major Shareholders/ persons connected to Directors or Major Shareholders	Estimated Values as disclosed in the Circular to Shareholders dated 19/05/2021 (RM'000)		Actual value Transacted from 30/06/2021 to 01/04/2022 (RM'000) #		#Estimated Value of Transactions from 28/6/2022 to the next AGM (RM'000)	
	Related Party	Minho Group		Receivables	Payable	Receivables	Payable	Receivables	Payable
Sales of sawn timber	Lucky Star Diversified Sdn. Bhd. ("LSDSB")	Lionvest Corporation (Pahang) Sdn Bhd ("LCPSB")	<ul style="list-style-type: none"> ● Dato' Loo Keng An is a director and major shareholder of Minho and also the chairman of LCPSB which is wholly owned by Minho. ● Mr. Loo Say Cheng is a director of LCPSB and a nephew of Dato' Loo Keng An ● Madam Tan Ah Tin is a director and major shareholder of LSDSB ● Madam Tan Ah Tin is the sister in law of Dato' Loo Keng An and also the mother of Mr. Loo Say Cheng 	9,500	-	-	-	9,500	-

Nature of Transaction(s)	Transacting Parties		Interested Directors/Major Shareholders/ persons connected to Directors or Major Shareholders	Estimated Values as disclosed in the Circular to Shareholders dated 19/05/2021 (RM'000)		Actual value Transacted from 30/06/2021 to 01/04/2022 (RM'000) #		#Estimated Value of Transactions from 28/6/2022 to the next AGM (RM'000)	
	Related Party	Minho Group		Receivables	Payable	Receivables	Payable	Receivables	Payable
Rental ⁽¹¹⁾	LSDSB	LCPSB	<ul style="list-style-type: none"> • Dato' Loo Keng An is a director and major shareholder of Minho and also the chairman of LCPSB which is wholly owned by Minho. • Mr. Loo Say Cheng is a director of LCPSB and a nephew of Dato' Loo Keng An • Madam Tan Ah Tin is a director and major shareholder of LSDSB • Madam Tan Ah Tin is the sister in law of Dato' Loo Keng An and also the mother of Mr. Loo Say Cheng 	48	-	20	-	48	-

Nature of Transaction(s)	Transacting Parties		Interested Directors/Major Shareholders/ persons connected to Directors or Major Shareholders	Estimated Values as disclosed in the Circular to Shareholders dated 19/05/2021 (RM'000)		Actual value Transacted from 30/06/2021 to 01/04/2022 (RM'000) #		#Estimated Value of Transactions from 28/6/2022 to the next AGM (RM'000)	
	Related Party	Minho Group		Receivables	Payable	Receivables	Payable	Receivables	Payable
Rental ⁽ⁱⁱⁱ⁾	DM	LCPSB	<ul style="list-style-type: none"> • Minho Holdings is a major shareholder of Minho and holds 51% interest in DM • Dato' Loo Keng An, a director and major shareholder of Minho • Dato' Loo Keng An is also a director of DM and major shareholder of Minho Holdings • Mr. Loo Say Cheng is a director of DM and LCPSB and a nephew of Dato' Loo Keng An 	48	-	20	-	48	-

2.4.2 New RRPT

The RRPT, as set out below, are the new transactions to be entered into by Minho Group relating to provision or the obtaining of products and services to or from the Related Parties in the ordinary course of business:

Nature of Transaction(s)	Transacting Parties		Interested Directors/Major Shareholders/ persons connected to Directors or Major Shareholders	Estimated Values as disclosed in the Circular to Shareholders dated 19/05/2021 (RM'000)		Actual value Transacted from 30/06/2021 to 01/04/2022 (RM'000) #		#Estimated Value of Transactions from 28/6/2022 to the next AGM (RM'000)	
	Related Party	Minho Group		Receivables	Payable	Receivables	Payable	Receivables	Payable
Rental (iv)	Ms. Loo Lay Hooi	SMK	<ul style="list-style-type: none"> • Ms. Loo Lay Hooi, a sister of Dato' Loo Keng An @ Lee Kim An • Minho holds 100% interest in SMK • Dato' Loo Keng An is a major shareholder of Minho. 	-	-	-	30	-	100

Nature of Transaction(s)	Transacting Parties		Interested Directors/Major Shareholders/ persons connected to Directors or Major Shareholders	Estimated Values as disclosed in the Circular to Shareholders dated 19/05/2021 (RM'000)		Actual value Transacted from 30/06/2021 to 01/04/2022 (RM'000) #		#Estimated Value of Transactions from 28/6/2022 to the next AGM (RM'000)	
	Related Party	Minho Group		Receivables	Payable	Receivables	Payable	Receivables	Payable
Buying timber	LSDSB	LTI	<ul style="list-style-type: none"> ● Madam Tan Ah Tin is a director and major shareholder of LSDSB ● Madam Tan Ah Tin is the sister in-law of Dato' Loo Keng An and also the mother of Mr. Loo Say Cheng ● Mr. Loo Say Cheng is a director of LTI and the nephew of Dato' Loo Keng An 	-	-	-	3,836	-	20,000
Renting of equipment ^(v)	MKK	SMK	<ul style="list-style-type: none"> ● Minho Holdings holds 100% interest in MKK. ● Minho Holdings is a major shareholder of Minho 	-	-	-	48	-	500

Explanatory Notes:

(i) The rental and storage charges are paid on monthly basis for warehouse at Lot 6478 and Lot 6468, Lorong Sg. Puluh, Batu 6, Off Jalan Kapar, 42100 Klang, Selangor. The size and monthly rental charges are as below:

- (a) Lot 6478 – 10 acres and RM190,238/month
(b) Lot 6468 – 5 acres and RM100,000/month

(ii) The rental is received by LCPSB for the renting of office space to LSDSB at RM2,000 per month

(iii) The rental is received by LCPSB for the renting of office space to DM at RM2,000 per month.

(iv) The rental is payable by SMK for the rent of a workers' quarter from Ms. Loo Lay Hooi, the sister of Dato' Loo Keng An @ Lee Kim An at RM6,000 per month. The demised premises is a freehold land held under GRN 93053, Lot 3413 Mukim Kapar, District of Klang, State of Selangor measuring 186 square meters approximately together with a one and half storey (1 ½) light industrial factory erected thereon and bearing postal address at No. 10 Jalan Pelaburann 15D, Jalan Sg Puluh, Off Batu 5 ¾, 42200 Jalan Kapar, Klang, Selangor Darul Ehsan.

(v) The rental is received by MKK for the renting of machinery to SMK at RM8,000 per month.

The estimated values are based on the budgeted sales prepared by the management of Minho for the years 2021 and 2022 and the actual amounts transacted may vary.

2.5 Outstanding Amount Due under the RRPT

There was no outstanding amount due to the Company under the RRPT which exceeded the credit term as at 1 April 2022.

2.6 Guidelines and Review Procedures in relation to RRPT

The terms of each proposed transaction with an interested Related Party will be made at arm's length, on normal commercial terms, on terms not more favorable to the Related Party than those generally available to the public and on terms not to the detriment of the minority shareholders.

The Management will ensure that the transactions with the Related Parties will only be entered into after taking into account the pricing, level of service, quality of product and other related factors. The pricing, level of service and quality of product shall be at prevailing market rates/prices of the service or product including where appropriate preferential rates and discounts accorded for bulk purchases (the same as are accorded to third party bulk purchase) and on the service or product provider's usual commercial terms, and otherwise in accordance with applicable industry norm.

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 substantial similar type of products/services and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the Audit Committee, in its review of the RRPT may, as it deems fit and whenever available, request for additional information pertaining to the transactions from independent source or advisers and the transaction price will be determined based on those offered to/by other unrelated parties for substantially similar types of transactions, to ensure that the RRPT are not detrimental to the Minho Group.

Disclosure will be made in the Company's Annual Report of the breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate for RRPT during the financial year, amongst others, based on the following information:-

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

Disclosure will also be made in the Company's Annual Report for subsequent financial years during which the mandate remains in force.

The Audit Committee of Minho will review the Related Party Transactions that may arise within the Company or the Group to ensure that such transactions will be carried out at arm's length, on normal commercial terms, on terms not more favorable than those generally available to the public and on terms not to the detriment of minority shareholders.

The Audit Committee shall also have the discretion to request for limits to be imposed or for additional procedures to be forwarded if it considers such request to be appropriate.

Where the RRPT is one with a value equal to or in excess of RM1,000,000.00, it will be reviewed by the Audit Committee and recommended for approval of the Board. Where the RRPT is one with a value below RM1,000,000.00, it will be reviewed and approved by the Group Chief Executive Officer or Executive Director or the Board.

Further, where any Director or Audit Committee has an interest, direct or indirect, in any Related Party Transactions, such Director (or his alternate, where applicable) shall abstain from deliberations and voting on any matter relating to any decision to be taken by the Board or the Audit Committee with respect to such Related Party Transactions.

2.7 Statement by the Audit Committee

Part of the terms of reference of the Audit Committee would be to review any Related Party Transaction and conflict of interest that may arise within Minho Group, including any transaction, procedure or course of action that raises questions of integrity.

The Audit Committee has reviewed the guidelines and review procedures as outlined in Section 2.6 above and is of the view that the existing procedures are sufficient to ensure that the RRPT are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interests of the minority shareholders of Minho.

The Audit Committee 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 conducts quarterly review of the existing procedures and processes to ascertain that they have been complied with.

3. RATIONALE OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposal will benefit the Company by facilitating the Minho Group to enter into transactions described in Section 2.4 above in a timely manner, and to eliminate the need for the Company on each occasion, pursuant to the financial limits imposed by paragraph 10.09 of the Listing Requirements to seek the shareholders' approval as and when potential transactions with the Related Parties arise. This would reduce substantially the administrative time, inconvenience and costs associated with the convening of such meetings without compromising the corporate objectives and adversely affecting the business opportunities available to the Minho Group.

Shareholders of the Company will appreciate that the RRPT, as outlined in Section 2.4 above are intended to facilitate transactions in the ordinary course of business of Minho Group.

The Related Parties are both good customers of the Minho Group as well as reliable suppliers of goods and services required by the Group for its business. The RRPT are carried out at arm's length basis on normal commercial terms which are not prejudicial to the interest of the shareholders, not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interests of the minority shareholders.

4. FINANCIAL EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will have no effect on the share capital and shareholding structure of the Company, dividend, gearing, consolidated NA and earnings and the shareholdings of the Directors and Major Shareholders of Minho.

5. APPROVAL REQUIRED FOR THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate is subject to the approval of the shareholders of Minho at the forthcoming Thirty-First AGM to be convened.

6. INTEREST OF DIRECTORS AND MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THEM

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

The direct and indirect shareholdings of the interested Directors, interested Major Shareholder and persons connected with them in the issued and paid-up share capital of the Company as at 1 April 2022 are as follows:

Name of Interested Directors, Major Shareholders and persons connected	No. of ordinary shares as at 1 April 2022			
	Direct	%	Indirect	%
<i>Directors of Minho:</i>				
Dato' Loo Keng An @ Lee Kim An ⁽¹⁾	-	-	85,959,480	24.10
Loo Say Leng ⁽²⁾	-	-	60,376,894	16.93
<i>Major Shareholder:</i>				
Minho Holdings Sdn Bhd	101,074,973	28.33		

Notes:

⁽¹⁾ Deemed interest through his direct and indirect shareholding in Loo Keng An & Sons Sdn Bhd which holds 36% in Minho Holdings Sdn Bhd and also through direct and indirect shareholding of his children and their spouse and his siblings and their spouse.

⁽²⁾ Mr. Loo Say Leng is the son of Dato' Loo Keng An @ Lee Kim An. Deemed interest through his direct shareholding in Minho Holdings Sdn Bhd and his direct and indirect shareholding in Loo Keng An & Sons Sdn Bhd which holds 36% in Minho Holdings Sdn Bhd.

Dato' Loo Keng An @ Lee Kim An and Mr. Loo Say Leng, who are the interested Directors, have abstained and will continue to abstain from all board deliberations and voting at the Board of Directors' meeting pertaining to the Proposed Shareholders' Mandate and will abstain from voting in respect of their direct and/or indirect shareholding in relation to the resolution on the Proposed Shareholders' Mandate at the forthcoming Thirty-First AGM.

Minho Holdings Sdn. Bhd., an interested Major Shareholder in the Proposed Shareholders' Mandate will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution on the Proposed Shareholders' Mandate at the forthcoming Thirty-First AGM.

The interested Directors and interested Major Shareholder have undertaken that they will ensure that the persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings on the relevant resolution deliberating or approving for which they have interest at the forthcoming Thirty-First AGM.

7. DIRECTORS' STATEMENT AND RECOMMENDATION

Your Directors (save for the interested Directors who have abstained from making any opinions and recommendations in respect of the Proposed Shareholders' Mandate) 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 Group and accordingly

recommend that you vote in favour of the resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the Thirty-First AGM of the Company.

8. THIRTY-FIRST ANNUAL GENERAL MEETING

The resolution to vote on the Proposed Shareholders' Mandate is set out as Special Business in the Notice of Meeting contained in the 2021 Annual Report, which is on the Company's website at <https://www.minhomalaysia.com>. The Thirty-First AGM will be held at Minho (M) Berhad, Board Room, Lot 6476, Lorong Sg. Puluh, Batu 6, Off Jalan Kapar, 42100 Klang, Selangor Darul Ehsan on Tuesday, 28 June 2022 at 10.30 a.m.

If you are unable to attend and vote in person at the Thirty-First AGM, you should complete and return the Form of Proxy in accordance with the instructions therein as soon as possible so as to arrive at the Company's Registered Office at 31A, Jalan Satu Kawasan 16, Berkeley Town Centre, 41300 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof.

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

9. FURTHER INFORMATION

Shareholders are advised to refer to the enclosed Appendix I for further information.

Yours faithfully,
For and on behalf of the Board
MINHO (M) BERHAD

DATO' LOO KENG AN @ LEE KIM AN
Managing Director

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FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of Minho who individually and collectively accept full responsibility for the accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement misleading in this Circular.

2. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Minho and its subsidiaries are not engaged in any material litigation, claims and/or arbitrations, either as plaintiff or defendant, and the Directors of Minho have no knowledge of any proceedings, pending or threatened against Minho Group, or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of Minho Group.

3. MATERIAL CONTRACTS

Minho and/or its subsidiaries have not entered into any contracts which are or may be material during the last two (2) years preceding the date of this Circular, other than the contracts entered into in the ordinary course of business.

4. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the Registered Office of the Company at 31A, Jalan Satu, Kawasan 16, Berkeley Town Centre, 41300 Klang, Selangor Darul Ehsan during normal office hours from Mondays to Fridays (exclude public holidays) from the date of this Circular and up to the time set for convening the AGM:-

- (a) Constitution of Minho;
- (b) Audited Financial Statements of Minho for the past two (2) financial years ended 31 December 2020 and 31 December 2021;
- (c) Unaudited quarterly results for the period ended 31 March 2022; and
- (d) The material contracts referred to in Section 3 above.

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