

**THIS STATEMENT 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, banker, solicitor, accountant or other professional advisers immediately.

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**Building Lifestyles, Building Trust**

**EUPE CORPORATION BERHAD**  
**Registration No. 199601005416 (37762-V)**  
**(Incorporated in Malaysia)**

**PART A**  
**STATEMENT TO SHAREHOLDERS**  
IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS'  
MANDATE FOR SHARE BUY-BACK

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

The resolution in respect of the above proposals will be tabled at the Twenty-Fourth (24<sup>th</sup>) Annual General Meeting ("AGM") of Eupe Corporation Berhad, which will be held fully virtual from the Broadcast Venue at 5th Floor, Wisma Ria, Taman Ria, 08000 Sungai Petani, Kedah Darul Aman on Tuesday, 18 August 2020 at 11.00 a.m.. The Notice of 24<sup>th</sup> AGM, Form of Proxy, Administrative Notes, Annual Report 2020 and this Statement/Circular are available on the Company's website at [www.eupe.com.my/annual-reports-2020](http://www.eupe.com.my/annual-reports-2020).

Please complete and return your Form of Proxy in accordance with the instructions thereon to the office of the Company' Share Registrar situated at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time set for holding the AGM or at any adjournment thereof. You also have the option to submit the Proxy Form via e-mail to [AGM-support.EUPE@megacorp.com.my](mailto:AGM-support.EUPE@megacorp.com.my) or via the link <https://shorturl.at/gvHV4> before the Proxy Form lodgement cut-off time stated below.

Last date and time for lodging the Form of Proxy : Sunday, 16 August 2020 at 11.00 a.m.  
Date and time for the 24<sup>th</sup> AGM : Tuesday, 18 August 2020 at 11.00 a.m.

**PART A**  
**STATEMENT TO SHAREHOLDERS**  
**IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**  
**FOR SHARE BUY-BACK**

## DEFINITIONS

Unless where the context otherwise requires, the following definitions shall apply throughout this Statement:-

“Act”	:	The Companies Act 2016, as may be amended from time to time and any enactment thereof.
“AGM”	:	Annual General Meeting.
“Board”	:	The Board of Directors of Eupe.
“Bursa Securities” or “the Exchange”	:	Bursa Malaysia Securities Berhad.
“Code”	:	Malaysian Code on Take-Overs and Mergers 2016 and any amendments made thereto from time to time.
“Cut-Off Date”	:	1 June 2020 being the cut-off date.
“Director(s)”	:	The Director of Eupe and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007.
“EPS”	:	Earnings per share.
“Eupe” or “the Company”	:	Eupe Corporation Berhad (Registration No. 199601005416 (377762-V)).
“Eupe Group” or “the Group”	:	Eupe and its subsidiary and associated companies, collectively.
“Eupe Shares” or “Shares”	:	Ordinary shares in Eupe.
“Listing Requirements”	:	Bursa Securities’ Main Market Listing Requirements and any Practice Notes issued in relation thereto, including any amendments that may be made from time to time.
“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.  “Interest” shall have the meaning of “interest in shares” given in Section 8 of the Act.
“Market Day”	:	Means a day on which the stock market of the Exchange is open for trading in securities.
“Minister”	:	Minister charged with the responsibility for companies, currently the Minister of Domestic Trade and Consumer Affairs, Malaysia.
“Proposed Renewal of Shareholders’ Mandate for Share Buy-Back”	:	Proposed renewal of authority to the Company to purchase its own shares representing up to 10% of the total number of issued shares of the Company.
“Purchased Shares”	:	Shares purchased pursuant to the Proposed Renewal of Shareholders’ Mandate for Share Buy-Back.
“RM and sen”	:	Ringgit Malaysia and sen respectively.
“Share Buy-Back”	:	The implementation of the Proposed Renewal of Shareholders’ Mandate for Share Buy-Back.
“Statement”	:	This statement dated 25 June 2020 in relation to the Proposed Renewal of Shareholders’ Mandate for Share Buy-Back.
“Substantial Shareholder(s)”	:	A person who has an interest or interests in one or more voting shares in the Company and the number or the aggregate number of such shares is not less than 5% of the total number of all the voting shares in the Company.

All references to “our Company” and “Eupe” in this Statement are to Eupe Corporation Berhad, and all references to “our Group” and “Eupe Group” are to our Company and subsidiaries. All references to “we”, “us” and “our” are to our Company, and save where the context otherwise requires, shall include our subsidiaries. All references to “you” in this Statement are to the shareholders of our Company.

Any reference in this Statement to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Statement shall be a reference to Malaysian time.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

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**Building Lifestyles, Building Trust**

**EUPE CORPORATION BERHAD**  
**Registration No. 199601005416 (377762-V)**  
(Incorporated in Malaysia)

**Registered Office:**  
5th Floor, Wisma Ria  
Taman Ria  
08000 Sungai Petani  
Kedah Darul Aman

25 June 2020

**Board of Directors:**

Datuk Tan Hiang Joo (*Independent Non-Executive Chairman*)  
Dato' Beh Huck Lee (*Group Managing Director*)  
Muhamad Faisal bin Tajudin (*Executive Director*)  
Alfian bin Tan Sri Mohamed Basir (*Independent Non-Executive Director*)  
Iskandar Abdullah @ Sim Kia Miang (*Independent Non-Executive Director*)  
Kek Jenny (*Independent Non-Executive Director*)  
Beh Yeow Seang (*Non-Independent Non-Executive Director*)

**TO: OUR SHAREHOLDERS**

Dear Sir/Madam

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK**

**1. INTRODUCTION**

At the Company's Twenty-Third (23<sup>rd</sup>) AGM held on 25 July 2019, the Board obtained the shareholders' approval to allow the Company to buy-back of up to 10% of its total number of issued shares. This authority shall lapse at the conclusion of the forthcoming AGM unless it is renewed.

On 12 June 2020, the Company announced that it proposes to seek a renewal of the approval from the shareholders for the Proposed Renewal of Shareholders' Mandate for Share Buy-Back at the forthcoming 24<sup>th</sup> AGM to be convened on 18 August 2020.

The purpose of this Statement is to provide you with the relevant information of the Proposed Renewal of Shareholders' Mandate for Share Buy-Back and to seek your approval for an ordinary resolution pertaining thereto to be tabled as Special Business at the forthcoming 24<sup>th</sup> AGM.

**YOU ARE ADVISED TO READ THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK.**

## 2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK

The Board is seeking your approval for the Company to purchase and/or hold shares representing up to 10% of its total number of issued shares on Bursa Securities, subject to the Act, Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of purchase.

The Proposed Renewal of Shareholders' Mandate for Share Buy-Back will be effective immediately upon the passing of the ordinary resolution, and will remain in effect until the conclusion of the next AGM of Eupe, or the expiry of the period within which the next AGM is required by law to be held, or revoked or varied by ordinary resolution passed by shareholders in a general meeting, whichever occurs first.

Set out below are details of the Proposed Renewal of Shareholders' Mandate for Share Buy-Back: -

### (i) Funding

The Proposed Renewal of Shareholders' Mandate for Share Buy-Back will be funded by both internally generated funds and/or borrowings. Under the Listing Requirements, the maximum funds to be utilised for the purchase of the shares shall not exceed the total retained profits of the Company. Accordingly, the Directors shall allocate an amount of funds which will not be more than the aggregate sum of the retained profits of the Company in respect of any purchase of shares pursuant to the Proposed Renewal of Shareholders' Mandate for Share Buy-Back. Based on the latest audited financial statements of Eupe for the financial year ended 29 February 2020, the retained profits of the Company stood at approximately RM14.6 million. As at the Cut-Off Date, the unaudited retained profits of the Company as at 31 May 2020 has not been announced.

The actual number of shares to be purchased, the total amount of funds to be utilised, impact on cash flows and the timing of the purchase(s) will depend on the prevailing equity market conditions and sentiments as well as the financial resources available to the Company at the time of the purchase(s). In the event the Company decides to utilise bank borrowings to finance the purchase of its own shares, the Board will ensure that there are sufficient funds to repay such borrowings and that such repayment will not have a material impact on the cash flow or earnings of the Company.

In addition, the Board will ensure that the Company satisfies the solvency test as stated under Section 112(2) of the Act before executing the Proposed Renewal of Shareholders' Mandate for Share Buy-Back.

### (ii) Treatment of Purchased Shares

In accordance with Section 127 of the Act, the Purchased Shares may be dealt with by our Directors in the following manner:-

- (a) to cancel the Purchased Shares; or
- (b) to retain the Purchased Shares as treasury shares to:-
  - (i) distribute the shares as dividends to shareholders of the Company, such dividends to be known as "share dividends";
  - (ii) resell the shares, or any of the shares in accordance with the relevant rules of Bursa Securities;
  - (iii) transfer the shares, or any of the shares for the purposes of or under an employees' share scheme;
  - (iv) transfer the shares, or any of the shares as purchase consideration;
  - (v) cancel the shares or any of the shares; or
  - (vi) sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; or
- (c) to retain part of the Purchased Shares as treasury shares and cancel the remainder.

**(iii) Ranking**

While the Purchased Shares are held as treasury shares, Section 127(8) and (9) of the Act states that the rights attached to them as to voting, dividends and participation in other distributions or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

**(iv) Regulatory Requirements**

The Proposed Renewal of Shareholders' Mandate for Share Buy-Back is subject to compliance with Section 127 of the Act, Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase.

Pursuant to Section 127(2) of the Act, a company shall not purchase its own shares unless:

- (a) the company is solvent at the date of the purchase and will not become insolvent by incurring the debts involved in the obligation to pay for the shares so purchased;
- (b) the purchase is made through Bursa Securities and in accordance with the rules of Bursa Securities unless otherwise permitted under the relevant rules of Bursa Securities and is made in accordance with such requirements as may be determined by Bursa Securities for the company to purchase its own shares otherwise than through Bursa Securities; and
- (c) the purchase is made in good faith and in the interests of the company.

Pursuant to the Listing Requirements, the Proposed Renewal of Shareholders' Mandate for Share Buy-Back is subject to, *inter-alia*, the following rules: -

- the public shareholding spread of twenty-five per centum (25%) of its total number of issued shares is to be maintained at all times. As detailed in Section 6.7 of this Statement, the Board undertakes to purchase shares only to the extent that the public shareholding spread of Eupe shall not fall below 25% of its total number of issued shares at all times pursuant to the Proposed Renewal of Shareholders' Mandate for Share Buy-Back;
- the purchase price of the shares shall not be more than fifteen per centum (15%) above the weighted average market price of Eupe Shares for the five (5) Market Days immediately preceding the date of the purchase(s);
- an immediate announcement will be made to Bursa Securities of any purchase or resale of shares and whether the Purchased Shares will be cancelled or retained as treasury shares or a combination of both;
- the Company may only resell or transfer any treasury shares on Bursa Securities at: -
  - (i) a price, which is not less than the weighted average market price of Eupe Shares for the five (5) Market Days immediately before the date of the resale or transfer; or
  - (ii) a discounted price of not more than five per centum (5%) to the weighted average market price of Eupe Shares for the five (5) Market Days immediately before the date of the resale or transfer, provided that: -
    - (a) the resale or transfer takes place not earlier than thirty (30) days from the date of the purchase; and
    - (b) the resale or transfer price is not less than the cost of purchase of shares being resold or transferred;
- the maximum funds to be utilised for the purchase of the shares shall not exceed the level of retained profits of the Company. As mentioned in Section 2(i) of this Statement, the allocation



of funds for the Proposed Renewal of Shareholders' Mandate for Share Buy-Back would not exceed the aggregate sum of retained profits of the Company; and

- the Proposed Renewal of Shareholders' Mandate for Share Buy-Back shall only be effected on the market of Bursa Securities via its automated trading system and shall exclude any direct business transactions as defined under the rules of Bursa Securities.

### **3. RATIONALE FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK**

The implementation of the Proposed Renewal of Shareholders' Mandate for Share Buy-Back would enable the Company to utilise its surplus financial resources, which is not immediately required for other uses, to purchase its own shares when appropriate, and at prices which the Board views as favourable. The Proposed Renewal of Shareholders' Mandate for Share Buy-Back is expected to stabilise the supply and demand, as well as the price of Eupe Shares.

Other things being equal, the Proposed Renewal of Shareholders' Mandate for Share Buy-Back, regardless of whether the Purchased Shares are maintained as treasury shares or cancelled, will result in a lower number of Eupe Shares being used for the purposes of computing the EPS. Therefore, the Proposed Renewal of Shareholders' Mandate for Share Buy-Back will improve the EPS of Eupe, which in turn is expected to have a positive impact on the market price of Eupe Shares.

The Purchased Shares may be cancelled at such time(s) where the Board is of the view that there is excess share capital and wish to reduce the number of shares in circulation. If the Purchased Shares are held as treasury shares, such shares may potentially be resold on Bursa Securities at a higher price and therefore realising a potential gain in reserves without affecting the total issued share capital of the Company. The treasury shares may also be distributed to shareholders as dividends and, if undertaken, would serve to reward the shareholders of the Company.

### **4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK**

#### **Advantages**

- (i) The Proposed Renewal of Shareholders' Mandate for Share Buy-Back, if implemented, will enable the Company to stabilise the supply and demand of Eupe Shares on Bursa Securities and thereby support the Company's fundamental value.
- (ii) The Board would have the opportunity to utilise its financial resources not immediately required for other use to purchase Eupe Shares. We may have the opportunity for potential gains if the Purchased Shares which are retained as treasury shares are resold at prices higher than purchase price. You may enjoy an increase in value of your investments due to an increase in EPS resulting from a reduction in the issued share capital of the Company if the Purchased Shares are cancelled.
- (iii) Shareholders of Eupe may receive treasury shares as share dividends if the Board recommends for distribution.

#### **Disadvantages**

- (i) The funds allocated for the Proposed Renewal of Shareholders' Mandate for Share Buy-Back may result in Eupe Group foregoing other investment opportunities that may emerge in the future.
- (ii) The working capital of the Group may also be affected, as any purchase of Eupe Shares will reduce the Group's working capital depending on the actual number of shares purchased and the purchase price. However, the working capital of Eupe Group may recover and increase upon the reselling of the Purchased Shares held as treasury shares.

The Board will be mindful of the interests of the Company and the shareholders in implementing the Proposed Renewal of Shareholders' Mandate for Share Buy-Back.

## 5. PURCHASE OF SHARES AND RESALE OF TREASURY SHARES MADE IN THE PREVIOUS 12 MONTHS

Eupe has not purchased any of its shares in the previous twelve (12) months preceding the date of this Statement. The Company does not have any treasury shares and has not resold, cancelled or distributed any treasury shares as dividends in the same period.

## 6. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK

The effects of the Proposed Renewal of Shareholders' Mandate for Share Buy-Back on the share capital, consolidated net assets, working capital, earnings, dividends and the Substantial Shareholders' shareholdings in Eupe are set out below:-

### 6.1 *Issued Share Capital*

Assuming that the maximum number of Eupe Shares (of up to 10% of the total number of issued shares) authorised under Proposed Renewal of Shareholders' Mandate for Share Buy-Back are purchased and cancelled, the effects of the Proposed Renewal of Shareholders' Mandate for Share Buy-Back on the issued share capital of Eupe are set out below:-

	<b>Number of shares</b>
Issued share capital as at the Cut-Off Date	128,000,000
Assuming the shares purchased are cancelled (up to 10% of the total number of issued shares)	(12,800,000)
<b>Resultant issued share capital</b>	<b>115,200,000</b>

If the Purchased Shares are retained as treasury shares, the Proposed Renewal of Shareholders' Mandate for Share Buy-Back will not have any effect on the issued share capital of the Company. However, the rights attached to the treasury shares as to voting, dividends and participation in other distribution or otherwise would be suspended.

### 6.2 *Net Assets ("NA")*

The effect of the Proposed Renewal of Shareholders' Mandate for Share Buy-Back on the consolidated NA of Eupe Group will depend on the purchase price of the Eupe Shares, the number of Eupe Shares purchased, the effective funding cost of Eupe Group to finance the Share Buy-Back, if any, or loss in interest income to the Company, and whether the Purchased Shares are cancelled, retained as treasury shares, resold on Bursa Securities or distributed as share dividends to shareholders.

If all the Purchased Shares are cancelled, the Proposed Renewal of Shareholders' Mandate for Share Buy-Back would reduce the NA per share of Eupe Group if the purchase price of each Purchased Share exceeds the NA per share at the relevant point in time, and vice versa.

The NA of Eupe Group would decrease if the Purchased Shares are retained as treasury shares due to the requirement for treasury shares to be carried at cost and to be offset against equity, resulting in a decrease in the NA of Eupe Group by the cost of the treasury shares.

If the treasury shares are resold through Bursa Securities, the NA of Eupe Group would increase if the Company realises a gain from resale, and vice versa. If the treasury shares are distributed as share dividends, the NA of Eupe Group would decrease by the cost of the treasury shares.

### 6.3 *Working Capital*

The share repurchased will result in an outflow of cash and thereby reduce the working capital of Eupe Group, the quantum of which is dependent on the purchase price of Eupe Shares, the number of Eupe Shares repurchased and the funding cost, if any. However, the working capital and cash flow of the Company will increase upon reselling of Purchased Shares which are retained as treasury shares. Again, the quantum of the increase in the working capital and cash flow will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

**6.4 Earnings and EPS**

The effects of the Proposed Renewal of Shareholders' Mandate for Share Buy-Back on the earnings of Eupe Group will depend on the purchase price of Eupe Shares, the number of Eupe Shares purchased and the effective funding cost, if any, or any loss in interest income to the Group. Further, the purchase of Eupe Shares will result in a lower number of shares taken into account for the purpose of EPS computation.

**6.5 Dividends**

The Proposed Renewal of Shareholders' Mandate for Share Buy-Back, if implemented in full and the dividend quantum maintained at historical level, will increase dividend rate per ordinary share as a result of the reduction in the issued share capital of the Company.

The level of future dividend to be declared or recommended (if any) will be determined by the Board after taking into consideration the performance, cash flow position and financing requirements of Eupe Group.

Any dividends to be declared by Eupe in the future would depend on, inter-alia, the profitability and cash flow position of Eupe Group.

**6.6 Substantial Shareholders**

Shares bought back by the Company under the Proposed Renewal of Shareholders' Mandate for Share Buy-Back that are retained as treasury shares and/or subsequently cancelled will result in a proportionate increase in the percentage of the Substantial Shareholders' shareholdings in the Company, as detailed in Section 8 below.

**6.7 Public Shareholding Spread**

As at the Cut-Off Date, the public shareholding spread of the Company was approximately 49.03%. Assuming that the Company purchases up to the maximum of 10% of the total number of issued shares, the public shareholding spread is expected to reduce to 43.37%.

The Company shall not buy-back any shares if it results in the Company being in breach of the minimum public shareholding spread requirement of the Listing Requirements.

**7. CONDITIONS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK**

The Proposed Renewal of Shareholders' Mandate for Share Buy-Back is subject to the approval of the shareholders of Eupe at the forthcoming 24<sup>th</sup> AGM.

**8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM**

Save for the proportionate increase in the percentage of shareholdings and/or voting rights in their capacities as the shareholders of the Company pursuant to the Proposed Renewal of Shareholders' Mandate for Share Buy-Back, none of the Directors and/or Major Shareholders have any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate for Share Buy-Back. In addition, none of the persons connected to the Directors and/or Major Shareholders have any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate for Share Buy-Back.

The direct and indirect shareholdings of the Directors and Substantial Shareholders of Eupe are as follows:

	Before the Proposed Renewal of Shareholders' Mandate for Share Buy-Back				After the Proposed Renewal of Shareholders' Mandate for Share Buy-Back*			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b><u>Substantial Shareholders</u></b>								
Betaj Holdings Sdn. Bhd.	30,053,781	23.48	-	-	30,053,781	26.09	-	-
Beh Heng Seong Sdn. Bhd.	23,261,208	18.17	30,053,781 <sup>(a)</sup>	23.48	23,261,208	20.19	30,053,781 <sup>(a)</sup>	26.09
Dato' Beh Huck Lee	3,500,000	2.73	53,314,989 <sup>(b)</sup>	41.65	3,500,000	3.04	53,314,989 <sup>(b)</sup>	46.28
Datin Paduka Teoh Choon Boay	234,416	0.18	53,314,989 <sup>(b)</sup>	41.65	234,416	0.20	53,314,989 <sup>(b)</sup>	46.28
Success Leads Sdn. Bhd.	8,076,594	6.31	-	-	8,076,594	7.01	-	-
<b><u>Directors</u></b>								
Datuk Tan Hiang Joo	10,000	0.01	-	-	10,000	0.01	-	-
Dato' Beh Huck Lee	3,500,000	2.73	53,314,989 <sup>(b)</sup>	41.65	3,500,000	3.04	53,314,989 <sup>(b)</sup>	46.28
Muhamad Faisal bin Tajudin	-	-	-	-	-	-	-	-
Beh Yeow Seang	-	-	-	-	-	-	-	-
Iskandar Abdullah @ Sim Kia Miang	-	-	103,000 <sup>(c)</sup>	0.08	-	-	103,000 <sup>(c)</sup>	0.09
Kek Jenny	-	-	-	-	-	-	-	-
Alfian bin Tan Sri Mohamed Basir	-	-	-	-	-	-	-	-

**Notes:**

\* On the assumption that Eupe purchases up to 12,800,000 Eupe Shares, representing 10% of its total number of issued shares of 128,000,000 as at the Cut-Off Date.

(a) Deemed interested by virtue of Section 8(4) of the Act through shareholdings in Betaj Holdings Sdn Bhd.

(b) Deemed interested by virtue of Section 8(4) of the Act through shareholdings in Beh Heng Seong Sdn Bhd which in turn hold shares in Betaj Holdings Sdn Bhd.

(c) Deemed interested by virtue of Section 59(11)(c) of the Act through his spouse's shareholdings in Eupe.

**9. IMPLICATIONS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK RELATING TO THE CODE**

The Proposed Renewal of Shareholders' Mandate for Share Buy-Back may result in any substantial shareholder(s) together with parties acting in concert triggering mandatory general offer obligation under the Code. However, an exemption from a mandatory offer obligation may be applied to the Securities Commission Malaysia under Rule 4.15 of the Code, subject to the offeror complying with conditions stipulated in Rule 4.15 of the Code. The Board is aware of the requirements of the Code and will be mindful of the requirements when making any purchase of Eupe Shares pursuant to the Proposed Renewal of Shareholders' Mandate for Share Buy-Back.

## 10. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of Eupe Shares traded on Bursa Securities for the preceding 12 months from June 2019 to May 2020 are as follows:

	<b>High (RM)</b>	<b>Low (RM)</b>
<u>Year 2019</u>		
June	0.685	0.635
July	0.720	0.650
August	0.660	0.610
September	0.630	0.605
October	0.665	0.600
November	0.660	0.620
December	0.645	0.610
<u>Year 2020</u>		
January	0.680	0.615
February	0.655	0.580
March	0.610	0.380
April	0.540	0.420
May	0.570	0.510
Last traded price on Bursa Securities on 11 June 2020, being the last trading day prior to the initial announcement of 12 June 2020.		0.565

Source: [www.bursamalaysia.com](http://www.bursamalaysia.com)

## 11. DIRECTORS' RECOMMENDATION

After due consideration, the Board is of the opinion that the Proposed Renewal of Shareholders' Mandate for Share Buy-Back is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the ordinary resolution to be tabled at the forthcoming 24<sup>th</sup> AGM to give effect to the Proposed Renewal of Shareholders' Mandate for Share Buy-Back.

## 12. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been reviewed and approved by the Directors and they individually and collectively accept full responsibility for the accuracy of the information contained herein and confirm that after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Statement misleading.

## 13. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of Eupe at 5<sup>th</sup> Floor, Wisma Ria, Taman Ria, 08000 Sungai Petani, Kedah Darul Aman, during normal business hours from the date of this Statement to the date of the forthcoming 24<sup>th</sup> AGM:-

- (i) Constitution of Eupe; and
- (ii) Audited financial statements of Eupe Group for the past two (2) financial years ended 28 February 2019 and 29 February 2020.

Yours faithfully,  
For and on behalf of the Board of  
**EUPE CORPORATION BERHAD**

**DATUK TAN HIANG JOO**  
Independent Non-Executive Chairman

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

## DEFINITIONS

Unless where the context otherwise requires, the following definitions shall apply throughout this Circular:-

“Act”	: The Companies Act 2016, as may be amended from time to time and any enactment thereof.
“AGM”	: Annual General Meeting.
“Board”	: The Board of Directors of Eupe.
“BHSSB”	: Beh Heng Seong Sdn. Bhd., a major shareholder of Eupe.
“BHSB”	: Betaj Holdings Sdn. Bhd., a major shareholder of Eupe.
“Bursa Securities” or “the Exchange”	: Bursa Malaysia Securities Berhad.
“Circular”	: This Circular to Shareholders of Eupe dated 25 June 2020 in respect of the Proposed Renewal of Shareholders’ Mandate for RRPTs.
“Director(s)”	: Shall have 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 transaction were agreed upon, a director or chief executive officer of the Company or its subsidiary.
“Eupe” or “the Company”	: Eupe Corporation Berhad (Registration No. 199601005416 (377762-V)).
“Eupe Group” or “the Group”	: Eupe and its subsidiaries as defined in Section 4 of the Act. Subsidiary companies include subsidiaries, which exist as at the date of this Circular and subsidiaries which are incorporated or acquired at any time during the duration of the Proposal.
“Family”	: In relation to a person 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 subparagraphs (iii) and (iv) above.
“Interested Directors”	: Directors who are deemed to be Related Parties and are interested in the Proposal.
“Interested Major Shareholders”	: Major Shareholders who are deemed to be Related Parties and are interested in the Proposal.
“Interested Persons Connected”	: Persons connected who are deemed to be Related Parties and are interested in the Proposal.
“Listing Requirements”	: Bursa Securities’ Main Market Listing Requirements and any Practice Notes issued in relation thereto, including any amendments that may be made from time to time.
“LPD”	: 1 June 2020 being the latest practicable date prior to the printing of this Circular.

- “Major Shareholder(s)” : A person who has an interest(s) in voting share(s) 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;
- and shall include any person who is or was within the preceding six (6) months of the date on which the terms of the transaction was agreed upon, a major shareholder of Eupe, its subsidiary or holding company.
- “Interest” shall have the meaning of “interest in shares” given in Section 8 of the Act.
- “Partner” : In relation to any person (referred to as “**said Person**”), 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 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.
- “Person(s) Connected” : Persons connected to the Directors and/or Major Shareholders, who fall under any one of the following categories:-
- (i) a Family member of the Directors or Major Shareholders;
  - (ii) 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 Directors or Major Shareholders, is the sole beneficiary;
  - (iii) a Partner of the Directors or Major Shareholders;
  - (iv) a person, or where the person is a body corporate, the body corporate or its directors who is/are accustomed or is under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Directors or Major Shareholders;
  - (v) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes of the Directors or Major Shareholders is accustomed or is under an obligation, whether formal or informal, to act;
  - (vi) a body corporate in which the Directors, Major Shareholders or persons connected with them are entitled to exercise, or control the exercise of, not less than twenty per centum (20%) of the votes attached to voting shares in the body corporate; and
  - (vii) a body corporate which is a related corporation of the Directors or Major Shareholders.
- “Proposal” or “Proposed Renewal of Shareholders’ Mandate for RRPTs” : Proposed renewal of shareholders’ mandate for Eupe Group to enter into existing RRPTs with the Related Parties.
- “Recurrent Related Party Transactions” or “RRPTs” : Recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations and are entered into by Eupe Group with the Related Parties in the ordinary course of business which involves the interest, direct or indirect, of a Related Party.



- “Related Party(ies)” : A Director, Major Shareholder or Person Connected with such Director or Major Shareholder as defined under Chapters 1 and 10 of the Listing Requirements.
- “RM” and “sen” : Ringgit Malaysia and sen respectively.
- “RMAC” : Risk Management and Audit Committee of Eupe.

All references to “our Company” in this Circular are to Eupe. References to “our Group” are to our Company and our subsidiaries. References to “we”, “us”, “our” and “ourselves” are to our Company and where the context requires, shall include our subsidiaries.

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

Words denoting the singular shall, where applicable, include the plural and vice versa and words indicating the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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**Building Lifestyles, Building Trust**

**EUPE CORPORATION BERHAD**  
**Registration No. 199601005416 (377762-V)**  
(Incorporated in Malaysia)

**Registered Office:-**  
5th Floor, Wisma Ria  
Taman Ria  
08000 Sungai Petani  
Kedah Darul Aman

25 June 2020

**Board of Directors:-**

Datuk Tan Hiang Joo (*Independent Non-Executive Chairman*)  
Dato' Beh Huck Lee (*Group Managing Director*)  
Muhamad Faisal bin Tajudin (*Executive Director*)  
Alfian bin Tan Sri Mohamed Basir (*Independent Non-Executive Director*)  
Iskandar Abdullah @ Sim Kia Miang (*Independent Non-Executive Director*)  
Kek Jenny (*Independent Non-Executive Director*)  
Beh Yeow Seang (*Non-Independent Non-Executive Director*)

**TO: OUR SHAREHOLDERS**

Dear Sir/Madam,

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPTs**

**1. INTRODUCTION**

On 25 July 2019, the Company announced that the shareholders had at the 23<sup>rd</sup> AGM held on even date, approved the resolution pertaining to the shareholders' mandate for RRPTs of a revenue or trading nature which is necessary for the Group's day-to-day operations and are in the ordinary course of business on terms that are not more favourable to the Related Parties than those generally available to the public ("Mandate"). The approval shall in accordance with the Listing Requirements lapse at the conclusion of the forthcoming AGM of the Company scheduled on 18 August 2020 unless approval for its renewal is obtained from the shareholders of the Company at the Twenty-Fourth (24<sup>th</sup>) AGM.

On 12 June 2020, the Company announced that it proposes to seek the approval of its shareholders for the Proposal at the forthcoming 24<sup>th</sup> AGM of the Company.

The purpose of this Circular is to provide you with relevant details of the Proposal and to seek your approval for the proposed resolution pertaining to the Proposal to be tabled at the forthcoming 24<sup>th</sup> AGM of the Company.

**YOU ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPTs.**

## **2. INFORMATION ON THE PROPOSAL**

### **2.1 Provision under the Listing Requirements**

Pursuant to Paragraph 10.09(2) and Practice Note 12 of the Listing Requirements, a listed company may seek a shareholders' mandate in respect of RRPTs subject to 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 the aggregate value is equal to or more than the prescribed threshold as follows:
  - (a) the consideration, value of the assets, capital outlay or costs of the RRPTs is RM1.0 million or more; or
  - (b) the percentage ratio of such RRPTs is one per centum (1%) or more,whichever is the higher;
- (iii) the issuance of a circular to shareholders by the Company for the shareholders' mandate includes the information as may be prescribed by the Exchange;
- (iv) in a meeting to obtain the shareholders' mandate, the Interested Directors, Interested Major Shareholders and Interested Persons Connected and where it involves the interest of the Person Connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution approving the RRPTs. The Interested Director or Interested Major Shareholder must also ensure that Persons Connected with him abstain from voting on the resolution approving the RRPTs; and
- (v) the Company shall make an immediate announcement to the Exchange when the actual value of the RRPTs entered into by the Company, exceeds the estimated value of the RRPTs disclosed in the Circular by 10% or more and must include the information as may be prescribed by the Exchange in its announcement.

Where a shareholders' mandate pursuant to Paragraph 10.09(2) of the Listing Requirements has been procured, the disclosure obligation as set out in Paragraph 10.09(1) of the Listing Requirements and the obligation to procure shareholders' approval under Paragraph 10.08 of the Listing Requirements shall not apply.

Eupe is proposing to seek its shareholders' approval to renew the existing shareholders' mandate pursuant to and in compliance with the conditions stated in Paragraph 10.09 and Practice Note 12 of the Listing Requirements, to enable the Group to continue entering into the RRPTs with the Related Parties.

### **2.2 Principal Activities of Eupe Group**

Eupe is principally an investment holding company. The principal activities of Eupe's subsidiaries are engaged in property development, building construction and sale of building materials, management of club providing golf and recreation facilities, chalet and restaurant operation, recreation and tour services, property investment and management, property rental and operating a complex for rental of stalls and food cultivation.

It is anticipated that the companies within the Group would, in the ordinary course of business, enter into the related party transactions as mentioned above and which are detailed in Section 2.3. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

In view of the time sensitive and frequent nature of such related party transactions, the Board is seeking shareholders' approval for the Proposed Renewal of Shareholders' Mandate for RRPTs for the Group to enter into transactions in the normal course of business within the classes of related parties set out in Section 2.3, provided such transactions are undertaken at arm's length, normal commercial terms and on terms which are not more favourable to the Related Party than those generally available to the public and which will not be detrimental to the interest of the minority shareholders. The RRPTs will also be subject to the review procedures set out in Section 2.5.

### 2.3 Information on Related Parties and Nature of Transactions

The class of Related Parties and nature of transactions of the RRPTs of Eupe Group are as follows:

No.	Transacting Related Parties	Nature of transactions	Estimated value as disclosed in the preceding years' Circular#  (RM)	Actual value transacted from the date the existing mandate was obtained up to the LPD  (RM)	Estimated value from the forthcoming AGM to the next AGM#  (RM)	Interested Director, Shareholder and/or Major Persons Connected with them
1.	Wong Beh & Toh <sup>iv</sup>	Provision of legal services on commercial and conveyancing matters by Wong Beh & Toh <sup>iv</sup> to Eupe Group.	800,000	232,445	800,000	Dato' Beh Huck Lee <sup>i</sup> Datin Paduka Teoh Choon Boay <sup>ii</sup> BHSSB <sup>iii</sup> BHSB <sup>iii</sup> Beh Yeow Seang <sup>iv</sup>
2.	Directors and Major Shareholders of Eupe Group and Persons Connected with them	Sale of development properties and land or land-based properties provided that any one of the percentage ratios of the transaction does not exceed 10% as defined in the Listing Requirements.	##	810,000	##	Directors and Major Shareholders of Eupe Group and Persons Connected with them

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Notes:

- # *The estimated value for the Proposed Renewal of Shareholders' Mandate for RRPTs is based on Management's best estimate on assumption that the current operations will continue and all external factors remain constant. The estimated value may differ from actual results and is subject to change.*
- ## *The estimated value of this category of transaction cannot be ascertained given the various types of properties sold by the Group with prices which vary from project to project. However, in accordance with Paragraph 3.3(a) of Practice Note 12 of the Listing Requirements, the transaction value cannot exceed 10% of any one of the percentage ratios.*
- i. Dato' Beh Huck Lee is:
- a. a Managing Director and Major Shareholder of Eupe;
  - b. a director and shareholder of BHSSB and BHSB (via BHSSB); and
  - c. son of Datin Paduka Teoh Choon Boay and brother of Beh Yeow Seang.
- ii. Datin Paduka Teoh Choon Boay is:
- a. a Major Shareholder of Eupe;
  - b. a director and major shareholder of BHSSB;
  - c. a shareholder of BHSB (via BHSSB); and
  - d. mother of Dato' Beh Huck Lee and Beh Yeow Seang.
- iii. BHSSB and BHSB are Major Shareholders of Eupe, which holds 18.17% and 23.48% of the equity interest in Eupe respectively. BHSSB holds 53.44% of the equity interest in BHSB. Beh Yeow Seang (daughter of Datin Paduka Teoh Choon Boay, sister of Dato' Beh Huck Lee) and Datin Michelle Gan Eileen (spouse of Dato' Beh Huck Lee, daughter-in-law of Datin Paduka Teoh Choon Boay and sister-in-law of Beh Yeow Seang) are Directors of BHSSB.
- iv. Beh Yeow Seang is a Director of Eupe and a Partner of Wong Beh & Toh, a legal firm.
- v. The above transactions are necessary for Eupe Group's day-to-day operations, in the ordinary course of business and are based on transaction prices and terms not more favourable to the Related Parties than those generally available to the public as well as not to the detriment of the minority shareholders of Eupe Group.
- vi. The basis of arriving at the estimated value as indicated above is based on value transacted during the financial year ended 29 February 2020 as well as latest available information relating to these transactions. The value of these transactions may be varied and subject to changes.

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## **2.4 Deviation from Mandate**

The actual values transacted for all the mandated RRPTs from the date the Mandate was granted until the LPD were below the threshold permitted by the Mandate.

## **2.5 Review Procedures for the RRPTs**

The Board will ensure that the RRPTs are undertaken on an arm's length basis, on normal commercial terms and transaction prices which are consistent with our Group's usual business practices and policies, as well as they are on terms not more favourable to the Related Parties than those extended to third parties or the public and are not to the detriment of our minority shareholders.

We have established the following procedures and guidelines for the review and approval of RRPTs:

- (i) A list of Related Parties shall be kept by the Finance Department of the Company and shall be updated from time to time, as and when necessary. The updated list of Related Parties shall be circulated to Company Secretaries for their information and record.
- (ii) The established list of Related Parties is used to monitor and ensure that all RRPTs to be entered into by the Group are reported and presented to the RMAC, who then ensures that the RRPTs are to be undertaken on an arm's length basis, on terms which are not more favourable to the Related Parties other than those generally available to the public and which are not to be detrimental to the interest of our minority shareholders.
- (iii) The Company shall maintain records pertaining to RRPTs which are entered into pursuant to the shareholders' mandate. A summary of the transactions will be tabled to the RMAC for review on a quarterly basis.
- (iv) The Group shall only enter into any RRPTs after taking into account the transaction prices, commercial terms and conditions, level of service and expertise required, quality of products and services provided to/by the Related Parties as compared to prevailing market prices and rates, industry norms and standards as well as general business practices and policies by service providers of similar capacity and capability generally available in the open market.
- (v) The RMAC shall review all RRPTs to ensure that relevant approvals have been obtained to ascertain that the procedures and guidelines established to monitor the RRPTs have been complied with.
- (vi) The RMAC shall have the right of access to the information on the Related Parties and is entitled to the services of an independent adviser, if required, in the discharge of their duties.
- (vii) Tender, quotation or contract received from or proposed to be entered into with a Related Party are subject to the following consideration:
  - (a) 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 quotation or comparative pricing from unrelated third parties cannot be obtained, Eupe Group's pricing for the services, materials and/or equipment to be provided or supplied and/or received or purchased will be determined in accordance with the Group's usual business practices, policies and commercial terms in line with the industry practices for the same or substantially similar type of transactions made by the Group with unrelated third parties and the RRPTs are not detrimental to Eupe or its group of companies; and
  - (b) the terms are not more favourable to the Related Parties than those to third parties.
- (viii) The Board and RMAC shall have overall responsibility for the determination of the review procedures, including addition of new review procedures where applicable. The Board and RMAC may also appoint individuals and committees to examine the RRPTs, as they deem appropriate including obtaining valuations from independent professional valuers.

- (ix) Where any Director or RMAC member has an interest, direct or indirect, in any RRPTs, he must declare his interest and abstain from any deliberation and voting on the matter at the Board or RMAC meetings in respect of the said RRPTs. The interested Directors or interested Major Shareholders shall also ensure that Persons Connected with them abstain from voting on the resolution approving the said RRPTs at the general meeting.
- (x) Disclosure will be made in the Company's annual report or in Eupe's audited financial statements for the breakdown of the aggregate value of RRPTs transacted during the financial year, amongst others, based on the following information:
  - (a) the type of the RRPTs; and
  - (b) the names of the Related Parties involved in each type of the RRPTs made and their relationship with the Company.

## **2.6 Threshold for the Approval of RRPTs within Eupe Group**

The thresholds for the approval of RRPTs within Eupe Group are as follows:

- (i) Where the RRPT is one with a value up to RM50,000.00, it will be reviewed and approved in accordance with the existing Standard Operating Procedures of Eupe Group. The RRPTs entered are to be included in the summary of RRPTs and tabled to the RMAC for review on a quarterly basis.
- (ii) Where the RRPT is one with a value in excess of RM50,000.00, it will be reviewed by the RMAC who has no interest in the transaction and approved by the Board. Where any Director has any direct or indirect interest in any RRPTs, such Director shall declare his interest and abstain from deliberation and voting on the matter.

## **2.7 Amount due and owing to Eupe Group by Related Parties**

As at the LPD, there is no amount due and owing to Eupe Group by its Related Parties, which has exceeded the credit term given. The payments were made within the agreed credit terms.

## **2.8 Statement by RMAC**

The RMAC has reviewed the procedures set out in Section 2.5 above and is of the view that the said procedures are sufficient to ensure that all RRPTs are conducted on arm's length basis, on transaction prices and 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. Any member of the RMAC who is interested in any RRPTs shall not be involved in the review of the RRPTs.

The RMAC is also of the view that Eupe Group had put in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner. The RMAC will review the procedures and processes annually or whenever the need arises.

## **2.9 Rationale and Benefits for the Proposal**

The RRPTs envisaged under the Proposal are in the ordinary course of business of Eupe Group. They are recurring transactions of revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval on a case by case basis before entering into such RRPTs. As such, the Board is seeking shareholders' mandate pursuant to Paragraph 10.09 of the Listing Requirements to allow the Group continue to enter into such RRPTs where the transaction prices are made on an arm's length basis and on normal commercial terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of our minority shareholders.

By obtaining the shareholders' mandate on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPTs occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.



The Related Parties which are involved in the RRPTs have long-standing business relationship with Eupe Group and where applicable have proven their reliability. The RRPTs entered into by Eupe Group as detailed in Section 2.3 will meet Eupe Group's business needs at the best possible terms and is in the best interest of Eupe Group.

## 2.10 Financial Effects of the Proposal

The Proposal will not have any effect on the issued share capital and substantial shareholders' shareholdings of Eupe. It is also not expected to have any material effect on the net assets per share and earnings per share of Eupe Group.

## 2.11 Validity Period for the Proposal

The Proposed Renewal of Shareholders' Mandate for RRPTs, if approved by shareholders at the forthcoming 24<sup>th</sup> AGM, shall be subject to annual review. In this respect, any authority conferred by the Proposed Renewal of Shareholders' Mandate for RRPTs shall only continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the AGM at which such mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed by the shareholders of the Company in a general meeting;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must 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 shareholders in a general meeting,

whichever is the earlier.

## 2.12 Interests of Directors, Major Shareholders and/or Persons Connected to them

Save as disclosed below, none of our Directors, Major Shareholders and Persons Connected with them has any interest, directly or indirectly in the Proposed Renewal of Shareholders' Mandate for RRPTs.

As at the LPD, the details of the direct and indirect shareholdings of the Interested Directors, Interested Major Shareholders and Interested Persons Connected are set out in Section 2.3 of this Circular and the table below:-

Interested Directors, Interested Major Shareholders and Interested Persons Connected	Direct		Indirect	
	No. of Shares held	%	No. of Shares held	%
<b><u>Interested Directors</u></b>				
Dato' Beh Huck Lee <sup>(e)</sup>	3,500,000	2.73	53,314,989 <sup>(a)</sup>	41.65 <sup>(a)</sup>
Beh Yeow Seang <sup>(c)</sup>	-	-	-	-
<b><u>Interested Major Shareholders</u></b>				
BHSSB	23,261,208	18.17	30,053,781 <sup>(b)</sup>	23.48 <sup>(b)</sup>
BHSB	30,053,781	23.48	-	-
Dato' Beh Huck Lee <sup>(e)</sup>	3,500,000	2.73	53,314,989 <sup>(a)</sup>	41.65 <sup>(a)</sup>
Datin Paduka Teoh Choon Boay <sup>(d)</sup>	234,416	0.18	53,314,989 <sup>(a)</sup>	41.65 <sup>(a)</sup>
<b><u>Interested Persons Connected</u></b>				
Datin Michelle Gan Eileen <sup>(f)</sup>	-	-	-	-

Notes:

- (a) Dato' Beh Huck Lee and Datin Paduka Teoh Choon Boay are deemed to have interest in BHSSB and BHSB by virtue of Section 8(4) of the Act through their shareholdings in BHSSB and BHSB.
- (b) BHSSB is deemed to have interest in BHSB by virtue of Section 8(4) of the Act.
- (c) Beh Yeow Seang is a director of BHSSB and is the daughter of Datin Paduka Teoh Choon Boay, sister of Dato' Beh Huck Lee and sister-in-law of Datin Michelle Gan Eileen.
- (d) Datin Paduka Teoh Choon Boay is the mother of Dato' Beh Huck Lee, Beh Yeow Seang and mother-in-law of Datin Michelle Gan Eileen.
- (e) Dato' Beh Huck Lee is the son of Datin Paduka Teoh Choon Boay, brother of Beh Yeow Seang and spouse of Datin Michelle Gan Eileen.
- (f) Datin Michelle Gan Eileen is a director of BHSSB and is the spouse of Dato' Beh Huck Lee, daughter-in-law of Datin Paduka Teoh Choon Boay and sister-in-law of Beh Yeow Seang.

The Interested Directors namely Dato' Beh Huck Lee and Beh Yeow Seang have abstained and will continue to abstain from all Board deliberations and voting in respect of the relevant RRPTs under the Proposed Renewal of Shareholders' Mandate for RRPTs as detailed in Section 2.3 of the Circular at Board meetings.

The Interested Directors and Interested Persons Connected to them will abstain from voting in respect of their direct and indirect shareholdings on the Proposed Renewal of Shareholders' Mandate for RRPTs at the forthcoming 24<sup>th</sup> AGM.

The Interested Major Shareholders namely BHSSB, BHSB, Dato' Beh Huck Lee and Datin Paduka Teoh Choon Boay and the Interested Persons Connected to them will abstain from voting at the forthcoming 24<sup>th</sup> AGM in respect of their direct and indirect shareholdings on the Proposed Renewal of Shareholders' Mandate for RRPTs.

The Interested Directors and Interested Major Shareholders have also undertaken to ensure that the Interested Persons Connected to them will abstain from voting in respect of their direct and indirect shareholdings on the Proposed Renewal of Shareholders' Mandate for RRPTs at the forthcoming 24<sup>th</sup> AGM.

### **3. DIRECTORS' RECOMMENDATION**

The Board (save for Dato' Beh Huck Lee and Beh Yeow Seang), having considered the Proposed Renewal of Shareholders' Mandate for RRPTs including the rationale and benefits for the Proposal, is of the opinion that the RRPTs under item (1) of Section 2.3 above are in the best interest of the Company and recommends that you vote in favour of the resolution pertaining to the Proposed Renewal of Shareholders' Mandate for RRPTs to be tabled at the forthcoming 24<sup>th</sup> AGM.

The Board has refrained from forming an opinion on RRPT under item (2) of Section 2.3 above and making any recommendation in respect thereof as the transacting Related Parties cannot be ascertained as at the date of this Circular.

### **4. APPROVAL REQUIRED**

The Proposal is subject to approval being obtained from our shareholders at the forthcoming 24<sup>th</sup> AGM.

### **5. 24<sup>TH</sup> AGM**

The 24<sup>th</sup> AGM of Eupe will be held on a fully virtual basis from the Broadcast Venue at 5<sup>th</sup> Floor, Wisma Ria, Taman Ria, 08000 Sungai Petani, Kedah Darul Aman on Tuesday, 18 August 2020 at 11.00 a.m. for the purpose of considering and if thought fit, passing the ordinary resolution to give effect to the Proposed Renewal of Shareholders' Mandate for RRPTs.

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Act**. Shareholders/proxy(ies) will not be allowed to attend the 24<sup>th</sup> AGM in person at the Broadcast Venue on the date of the meeting.

The Notice of 24<sup>th</sup> AGM and the Proxy Form are set out in our Annual Report 2020 and can be downloaded at [www.eupe.com.my/annual-reports-2020](http://www.eupe.com.my/annual-reports-2020).

If you are unable to participate at our 24<sup>th</sup> AGM, you may complete, sign and return the Proxy Form enclosed in the Company's Annual Report 2020 in accordance with the instructions contained therein as soon as possible so as to arrive at the office of the Company's Share Registrar situated at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan not later than forty-eight (48) hours before the time set for holding the 24<sup>th</sup> AGM or any adjournment thereof. The last day and time for lodging the Proxy Form is Sunday, 16 August 2020 at 11.00 a.m. The Proxy Form may also be submitted via e-mail to [AGM-support.EUPE@megacorp.com.my](mailto:AGM-support.EUPE@megacorp.com.my) or via the link <https://shorturl.at/gvHV4>.

## **6. FURTHER INFORMATION**

You are advised to refer to the attached Appendix I for further information.

Yours faithfully

On behalf of the Board of

**EUPE CORPORATION BERHAD**

**ISKANDAR ABDULLAH @ SIM KIA MIANG**

Independent Non-Executive Director

**FURTHER INFORMATION**

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Directors of Eupe 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 other facts the omission of which would make any statement herein misleading.

**2. MATERIAL LITIGATION**

Neither Eupe nor its subsidiaries are involved or engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Directors of Eupe do not have any knowledge of any proceedings, pending or threatened against Eupe and/or any of its subsidiary companies or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of Eupe and/or its subsidiary companies.

**3. MATERIAL CONTRACTS**

Neither Eupe and/or its subsidiaries has entered into any material contracts which are or may be material, not being contracts entered into in the ordinary course of business, during the past two (2) years preceding the date of this Circular.

**4. DOCUMENTS FOR INSPECTION**

Copies of the following documents will be available for inspection at the registered office of Eupe at 5<sup>th</sup> Floor, Wisma Ria, Taman Ria, 08000 Sungai Petani, Kedah Darul Aman, during normal business hours from the date of this Circular to the date of the forthcoming 24<sup>th</sup> AGM:

- (i) Constitution of Eupe; and
- (ii) Audited financial statements of Eupe Group for the past two (2) financial years ended 28 February 2019 and 29 February 2020.