

THIS CIRCULAR/STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused the contents of Part A of this Circular in respect of the Proposed Shareholders’ Mandate and Part B in respect of the Statement to Shareholders in relation to Proposed Share Buy-Back prior to its issuance as it is an exempt document pursuant to Paragraph 2.1 of Practice Note 18 of the Listing Requirements for the Main Market of Bursa Malaysia Securities Berhad.

Bursa Securities takes no responsibility for the contents of this Circular/Statement and makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular/Statement.

Shareholders of See Hup are advised to read and consider the contents of this Circular / Statement carefully before voting on the resolutions pertaining to the Proposals at the forthcoming AGM.



SEE HUP CONSOLIDATED BERHAD

Registration No. 199601018726 (391077-V)
(Incorporated in Malaysia)

PART A CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND THE PROVISION OF FINANCIAL ASSISTANCE BETWEEN THE COMPANY AND ITS SUBSIDIARIES VIA THE CENTRALISED TREASURY MANAGEMENT SYSTEM

PART B STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY TO BUY-BACK ITS OWN SHARES BY THE COMPANY

The Form of Proxy for the 26th AGM must be completed in accordance with the instructions therein and deposited at the Registered Office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Penang, not later than forty-eight (48) hours before the time appointed for holding the 26th AGM or at any adjournment thereof. The above Proposals (as defined) will be tabled under Special Business at the Twenty-Sixth (“26th”) Annual General Meeting (“AGM”) of See Hup Consolidated Berhad (“See Hup” or “the Company”). Notice of the 26th AGM of the Company together with the Form of Proxy are included in the 2022 Annual Report.

The Form of Proxy for the 26th AGM must be completed in accordance with the instructions therein and deposited at the Registered Office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Penang, not later than forty-eight (48) hours before the time appointed for holding the 26th AGM or at any adjournment thereof.

Last date and time for lodging the Form of Proxy	:	Friday, 10 September 2022 (Prior to 9.45 am)
Date and time of the AGM	:	Monday, 12 September 2022 at 9.45 am
Place of the AGM	:	No. 1062, Mukim 6, Jalan Perusahaan, Kawasan Perusahaan Perai, 13600 Perai, Penang

This Circular/Statement is dated 29 July 2022

DEFINITIONS

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

- “Act” : The Malaysian Companies Act, 2016 as amended from time to time and any re-enactment thereof
- “AGM” : Annual General Meeting
- “Board” : Board of Directors of See Hup
- “Bursa Securities” or “Exchange” : Bursa Malaysia Securities Berhad
- “CMSA” : Capital Markets and Services Act, 2007 as amended from time to time and any re-enactment thereof
- “Code” : Malaysian Code on Take-Overs and Mergers 2016 including any amendment from time to time and any re-enactment thereof
- “Directors” : This shall have the meaning given in Section 2(1) of the Act and for purposes of the Proposed Shareholders’ Mandate, includes any person who is or was within the preceding 6 months from the date on which the terms of the transaction were agreed upon, a Director of See Hup or any other company which is its subsidiary or holding company or a Chief Executive Officer of See Hup, its subsidiary or holding company. The term “Executive Director” shall mean a natural person who holds a directorship in a full-time executive capacity on the Board and is on the payroll of the Company
- “EPS” : Earnings per Share
- “Hong Seng Group” : Companies associated with Dato’ Seri Teoh Hai Hin where he and his siblings exercised control and management collectively, namely:
(a) Hong Seng Motor Sdn. Bhd.
(b) Hong Seng Rental Sdn. Bhd.
(c) Hong Seng Truck Parts Sdn. Bhd.
(d) Hong Seng Assembly Sdn. Bhd.
(e) Hong Seng Vehicles Sdn. Bhd.
(f) Hong Seng Housing Sdn. Bhd.
(g) HS Machinery & Equipment Sdn. Bhd.
(h) HS Young Man Vehicles Sdn. Bhd.
- “Listing Requirements” or “MMLR” : Main Market Listing Requirements of Bursa Securities including any amendment that may be made from time to time and any re-enactment thereof
- “LPD” : 12 July 2022, being the latest practicable date before the printing of this Circular/Statement
- “Major Shareholder” : Means a person who has an interest or interests in one or more voting shares in a 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

DEFINITIONS (cont'd)

- It shall include 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 major shareholder of See Hup as defined above (or any other company which is its subsidiary or holding company). For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8 of the Act
- "Market Day" : Any day when Bursa Securities is open for trading of securities
- "NA" : Net Assets
- "Person Connected" : Such person, in relation to any person (referred to as "said Person") means such person who falls under any one of the following categories:
- (a) A family member of the said Person;
 - (b) A trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;
 - (c) A partner of the said Person;
 - (d) A person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
 - (e) A person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
 - (f) A body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or;
 - (g) A body corporate which is a related corporation of the said Person
- "Proposals" : Collectively, the Proposed Shareholders' Mandate and Proposed Share Buy-Back
- "Proposed Shareholders' Mandate" : Proposed Renewal of Shareholders' Mandate pursuant to Paragraph 10.09 of the Listing Requirements and Practice Note 12 of the Listing Requirements for the RRPT for See Hup Group to enter into RRPT which includes the provision of financial assistance between the Company and its subsidiaries via the centralised treasury management system
- "Proposed Share Buy-Back" : Proposed renewal of authority to buy-back its own shares by the Company of up to maximum of ten per centum (10%) of its total number of issued shares as set out in Part B
- "Purchased Shares" : Shares that have been purchased by the Company pursuant to the Proposed Share Buy-Back

DEFINITIONS (cont'd)

“Recurrent Related Party Transactions” or “RRPT”	: Transactions with Related Party or Related Parties involving recurrent transactions of a 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” or “Related Parties”	: Directors, Major Shareholders and/or Persons Connected with such Director or Major Shareholder who are interested in the RRPT
“RM” and “sen”	: Ringgit Malaysia and sen respectively
“See Hup” or “the Company”	: See Hup Consolidated Berhad
“See Hup Group” or “the Group”	: See Hup and its subsidiaries
“Share(s)”	: Ordinary share(s)
“Substantial Shareholder”	: 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 five percent (5%) of the total number of all the voting shares in the Company
“Treasury Shares”	: Purchased Shares which are or will be retained in treasury by the Company and shall have the meaning given under Section 127 of the Act

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

Any discrepancies in the tables included in this Circular/Statement between the amounts listed, actual figures and the totals thereof are due to rounding.

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Appendix I

Part A

Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and the Provision of Financial Assistance between the Company and its Subsidiaries via the Centralised Treasury Management System



SEE HUP CONSOLIDATED BERHAD
Registration No. 199601018726 (391077-V)
(Incorporated in Malaysia)

Registered Office:
170-09-01 Livingston Tower
Jalan Argyll, 10050
George Town, Pulau Pinang

29 July 2022

Board of Directors:

Lee Chor Min (*Group Managing Director*)
Lee Hean Huat (*Executive Director*)
Haji Shamsul Ariffin Bin Mohd Nor (*Executive Director*)
Datuk Haji Muhadzir Bin Mohd. Isa (*Executive Director*)
Ng Shiek Nee (*Independent Non-Executive Director*)
Lee Phay Chian (*Independent Non-Executive Director*)
Mak Cheow Yeong (*Independent Non-Executive Director*)

TO: THE SHAREHOLDERS OF SEE HUP CONSOLIDATED BERHAD

Dear Sir/Madam,

PART A CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND THE PROVISION OF FINANCIAL ASSISTANCE BETWEEN THE COMPANY AND ITS SUBSIDIARIES VIA THE CENTRALISED TREASURY MANAGEMENT SYSTEM

PART B STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY TO BUY-BACK ITS OWN SHARES BY THE COMPANY

1 INTRODUCTION

At the Twenty-fifth AGM held on 29 September 2021, the Board obtained a mandate from the Company's shareholders to enter into RRPT of a revenue or trading nature and the provision of financial assistance between Related Parties which are necessary for its day-to-day operations and are carried out in the ordinary course of business on normal commercial terms not more favourable to the Related Party than those generally available to the public. The authority granted pursuant to the said mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming Twenty-sixth (26th) AGM unless the authority for its renewal is obtained from the shareholders of the Company at the forthcoming AGM.

See Hup, had, on 19 July 2022, announced to Bursa Securities that the Company would be seeking renewal of mandate in respect of the Group's existing RRPT from its shareholders pursuant to Paragraph 10.09 of Chapter 10 of the Listing Requirements. The Company would also be seeking a renewal of mandate from its shareholders in respect of pooling of funds within the Group via a centralised treasury management function pursuant to Paragraph 3.4 of Practice Note 12 of the Listing Requirements.

The Circular is prepared for the purpose to provide the shareholders of the Company with information on the Proposed Shareholders' Mandate and to seek your approval for the resolution to be tabled at the forthcoming AGM pertaining thereto.

YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR INCLUDING THE APPENDIX CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING AGM.

2 DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate, if approved at the forthcoming AGM, will continue to be in force until:-

- (a) the conclusion of the next AGM following the forthcoming AGM at which time the mandate will lapse unless the authority is renewed by a resolution passed at the meeting;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by resolutions passed by the shareholders of the Company in a general meeting

whichever is the earlier.

2.1 Paragraph 10.09 of Chapter 10 of the Listing Requirements

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders for RRPTs subject to the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold below in relation to a listed issuer with a share capital which is more than RM60 million:-
 - (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
 - (ii) the percentage ratio of such RRPT is 1% or more, whichever is the higher;
- (c) the listed issuer's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities, together with a checklist showing compliance with such information;

- (d) in a meeting to obtain shareholder mandate, the relevant related party must comply with the following requirements:-
 - (i) a related party with any interest, direct or indirect ("**Interested Related Party**"), must not vote on the resolution in respect of the RRPTs;
 - (ii) an Interested Related Party who is a director or major shareholder must ensure that persons connected with it abstain from voting on the resolution in respect of the RRPTs;
 - (iii) where the Interested Related Party is a person connected with a director or major shareholder; such persons stated in paragraphs (b) above, as the case may be, must not vote on the resolution in respect of the RRPTs.
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Accordingly, the Board proposes to seek the shareholders' approval for the Proposed Shareholders' Mandate. The Proposed Shareholders' Mandate will allow the See Hup Group, in the normal course of business, to enter into the existing RRPT referred to in section 2.5 of Part A of this Circular, provided that such transactions are made at arm's length, on See Hup Group's normal commercial terms and on terms not more favourable to the Related Party(ies) than those generally available to the public and are not to the detriment of the minority shareholders of See Hup.

The transactions concluded for the financial year ended 31 March 2022 are incorporated in the 2022 Annual Report.

2.2 **Practice Note 12 of the Listing Requirements**

Paragraph 3.4 of the Practice Note 12 to the Listing Requirements allows the Company to seek shareholders' mandate in respect of the pooling of funds within the Group via a centralised treasury management function or such similar arrangements which entails the provision of financial assistance by the Company and/or its unlisted subsidiaries, or both, on a short or medium term basis provided that:-

- (a) the Company in seeking such a mandate in accordance with Paragraphs 8.23 and 10.09 of the Listing Requirements, must include in its circular, in addition to such other information as prescribed under the Listing Requirements, the estimated amounts or value of financial assistance ("Estimate"); and
- (b) if the actual amount of financial assistance provided or rendered exceeds the Estimate, the Company must make an immediate announcement of the same. If the percentage ratio of the amount of financial assistance provided or rendered in excess of the Estimate is 5% or more, the Company must comply with Paragraph 10.08 of the Listing Requirements.

2.3 The principal business activities of the Company and its subsidiaries

The principal activity of See Hup is investment holding whilst the principal activities of its subsidiaries are broadly categorised as follows:-

- (a) Provision of logistics services such as hiring of heavy machineries, cranes, forklifts, cargo trailers, pole trailers, low loaders, provision of inland clearance depot facilities, provision of forwarding, sea and air freight services, provision of bonded and non-bonded truck services and refrigerated truck services, provision of warehousing services, provision of bulk cargo handling services and provision of container haulage services.
- (b) Provision of non-logistics services such as letting of property, supply of contract labour, trading in general merchandise and engage as sub-contractor for construction works.

The companies in See Hup Group which are involved in the RRPT of a revenue or trading nature and their respective principal activities are set out below:

Name of subsidiary	Interest held	Principal activities
Held by See Hup		
See Hup Transport (K.L.) Sdn. Bhd. ("SHTKL")	100%	Hiring of general cargo trailers, pole trailers mixer trucks and cement tankers.
See Hup Transport Company Sdn. Bhd.	100%	Hiring of general cargo trailers, pole trailers and low loaders, forwarding services and hiring of cranes
See Heng Company Sdn. Bhd.	100%	Hiring of heavy machineries, cranes and forklifts, and trading in general merchandise mainly constructions materials
See Hup Pioneer Logistics Sdn. Bhd. ("SHPL")	56.5%	Provision of cross-border logistics services such as forwarding, transportation and warehousing
SH Logistics (M) Sdn Bhd. ("SHLM")	50.1%	Hiring of general cargo trailers and refrigerated truck services
SH Moment Builder Sdn. Bhd. ("SH Moment")	51%	Sub-contractor for construction and maintenance works
Hot Colour Furniture Sdn. Bhd. ("Hot Colour")	51%	Letting of property
Held by SHPL		
SH Haulage Sdn. Bhd. ("SHH")	70%	Provision of container haulage services

2.4 The principal business activities of the other related transacting parties

The principal activities of the other related transacting parties that are involved in the recurrent related party transactions with See Hup Group are set out below:

Name of related transacting party	Principal activities
Four Seas International Co., Ltd. ("Four Seas")	Worldwide forwarding

Name of related transacting party	Principal activities
See Hup Pioneer Logistics (Thailand) Co., Ltd.	Provision of transport services in Thailand
Tanjung Marine Sdn. Bhd. (“Tanjung Marine”)	Provision of forwarding services
Mazs Marketing (M) Sdn. Bhd. (“MMSB”)	Provision of transportation services such as bonded and non-bonded trucks and general cargo trailers and warehousing services
Hong Seng Group	Supply/rental of rebuild and reconditioned commercial vehicles, trucks, heavy machinery and equipment, spare parts and engines and rental of property
Uni Moment Engineering Builders Sdn. Bhd. (“Uni Moment”)	Sub-contractor for construction works, builders and contractors for buildings and transport agent
Prosful Trading Sdn. Bhd. (“Prosful”)	Provision of transportation services, trading of construction materials, trading in spare parts, diesel, tyres and accessories for motor vehicles and repairing services

2.5 Nature of RRPT and class of Related Parties

The details of the nature and estimated annual value of the RRPT in respect of which the Company is seeking renewal of mandate from its shareholders as contemplated under the Proposed Shareholders’ Mandate are as follows:

Related Party with whom the Group is transacting	Company within the Group involved in RRPT	Estimated value after AGM 2021 to AGM 2022 (RM)^	Estimated value after AGM 2022 to AGM 2023 (RM)^@	Nature of transactions	Interested Related Party*	Actual value+ (RM)
Four Seas**	SHPL	1,000,000	-	Provision of forwarding and transport services in Malaysia to Four Seas	Surasit S	45,576
		2,000,000	-	Provision of forwarding and transport services in Southern Thailand by Four Seas		731,214
Surasit S (Surasit Santiwarakom) is a director and has a direct shareholding of 42.24% in Four Seas. He is also a director and major shareholder holding 10% shares in SHPL by virtue of his more than 20% interest in Four Seas.						

Related Party with whom the Group is transacting	Company within the Group involved in RRPT	Estimated value after AGM 2021 to AGM 2022 (RM)^	Estimated value after AGM 2022 to AGM 2023 (RM)^@	Nature of transactions	Interested Related Party*	Actual value+ (RM)
See Hup Pioneer Logistics (Thailand) Co., Ltd. **	SHLM	500,000	500,000	Provision of transport services in Malaysia to See Hup Pioneer Logistics (Thailand) Co., Ltd.	Li Chun Huat Li Chau Ging	-
		2,000,000	2,000,000	Provision of transport services in Thailand by See Hup Pioneer Logistics (Thailand) Co., Ltd.	Li Chun Huat Li Chau Ging	528,884
<p>Li Chun Huat is a director of See Hup Pioneer Logistics (Thailand) Co. Ltd and SHLM.</p> <p>Li Chau Ging (son of Li Chun Huat) is also a director of SHLM and has a direct shareholding of 44.5% in SHLM.</p>						

Note:

** Companies incorporated in Thailand

Related Party with whom the Group is transacting	Company within the Group involved in RRPT	Estimated value after AGM 2021 to AGM 2022 (RM)^	Estimated value after AGM 2022 to AGM 2023 (RM)^@	Nature of transactions	Interested Related Party*	Actual value+ (RM)
Tanjung Marine	SHH	3,000,000	3,000,000	Provision of transportation services to Tanjung Marine	Haji Shamsul Ariffin Bin Mohd Nor	1,494,268
MMSB	SHPL	1,000,000	1,000,000	Provision of transportation and warehousing services to SHPL	Datuk Haji Muhadzir Bin Mohd Isa	175,056

Related Party with whom the Group is transacting	Company within the Group involved in RRPT	Estimated value after AGM 2021 to AGM 2022 (RM) ^a	Estimated value after AGM 2022 to AGM 2023 (RM) [@]	Nature of transactions	Interested Related Party [†]	Actual value ⁺ (RM)
Hong Seng Group	Hot Colour	200,000	200,000	Provision of warehousing services to Hong Seng Group	Dato' Teoh Hai Hin	-
		1,000,000	1,000,000	Supply and rental of trucks, equipment and machinery by Hong Seng Group	Hong Seng Housing Sdn. Bhd.	-
<p>Dato' Teoh Hai Hin is a director of Hot Colour and has an indirect shareholding of 49% held via Hong Seng Housing Sdn. Bhd.</p> <p>Hong Seng Group are companies associated with Dato' Teoh where he and his siblings exercised control and management collectively.</p>						
Hong Seng Group	SH Moment	5,000,000	10,000,000	Supply and rental of trucks, equipment and machinery by Hong Seng Group	Hong Seng Housing Sdn. Bhd.	333,435
Uni Moment	SH Moment	20,000,000	40,000,000	Supply of labour, construction materials, rental of trucks, equipment and machinery to / by Uni Moment	Lee Kean Leng, Lee Kiang Hwa / Uni Moment	2,981,303
SH Moment	Uni Moment	20,000,000	40,000,000			5,412,639
<p>Lee Kean Leng and Lee Kiang Hwa are both Directors of Uni Moment and SH Moment. They are siblings and both have a direct shareholding of 50% respectively each in Uni Moment.</p> <p>Uni Moment has a direct shareholding of 30% in SH Moment.</p>						
Prosful	SH Moment	1,000,000	2,000,000			-

Related Party with whom the Group is transacting	Company within the Group involved in RRPT	Estimated value after AGM 2021 to AGM 2022 (RM) [*]	Estimated value after AGM 2022 to AGM 2023 (RM) [@]	Nature of transactions	Interested Related Party [†]	Actual value ⁺ (RM)
SH Moment	Prosful	1,000,000	2,000,000	Rental of trucks, equipment and machinery to / by Prosful	Lee Kean Leng / Uni Moment	108,871
	Lee Kean Leng is a Director of Prosful and SH Moment. He has a direct shareholding of 50% in Prosful and an indirect shareholding of 30% in SH Moment held via Uni Moment.					
SH Moment	Hot Colour	1,500,000	1,500,000	Provision of sub-contracting services for renovations and maintenance works to Hot Colour	Dato' Teoh Hai Hin / Hong Seng Housing Sdn. Bhd.	57,455
	Hong Seng Housing Sdn. Bhd. is a major shareholder of SH Moment and Hot Colour. Dato' Teoh Hai Hin is a Director of Hot Colour. Dato' Teoh Hai Hin has an indirect shareholding of 19% and 49% in SH Moment and Hot Colour respectively held via Hong Seng Housing Sdn. Bhd.					

Notes:

- * The direct and indirect shareholdings of these interested Related Parties (if any) are set out in Section 9 below. Accordingly, these interested Related Parties will abstain from voting in respect of their direct or indirect shareholdings in See Hup at the forthcoming AGM on the Proposed Shareholders' Mandate.
- [^] The estimated value of these transactions is as disclosed in the preceding year's Circular to Shareholders dated 30 August 2021.
- [@] The estimated value of these transactions is from the date of the forthcoming AGM to the next AGM and is based on past transactions and estimation and may be subject to changes.
- ⁺ The actual value transacted is from the date of the last AGM, 29 September 2021 up to the LPD.

2.6 Estimated amount of Financial Assistance between See Hup and its subsidiaries

The estimated amount of financial assistance to be effected between the Company and its subsidiaries via a centralised treasury management function as per Practice Note 12 of the Listing Requirements for the period covering the mandate is as follows:

Recipient	Provider	Estimated value after AGM 2021 to AGM 2022 (RM)^	Estimated value after AGM 2022 to AGM 2023 (RM)@	Nature of transaction	Interested Related Party*	Actual value+ (RM)
Subsidiary of See Hup - SHH	See Hup	6,000,000	6,000,000	Provision of financial assistance	Haji Shamsul Ariffin Bin Mohd Nor	780,000
Haji Shamsul Ariffin Bin Mohd Nor is a director and has a direct shareholding of 30% in SHH. He is also a Director of See Hup and holds 0.04% shares.						

Notes:

- * The direct and indirect shareholdings of these interested related parties (if any) are set out in Section 9 below. Accordingly, these interested related parties will abstain from voting in respect of their direct or indirect shareholdings in See Hup at the forthcoming AGM on the Proposed Shareholders' Mandate.
- ^ The estimated value of these transactions is as disclosed in the preceding year's Circular to Shareholders dated 30 August 2021.
- @ The estimated value of these transactions is from the date of the forthcoming AGM to the next AGM and is based on past transactions and estimation and may be subject to changes.
- + The actual value transacted is from the date of the last AGM on 29 September 2021 up to the LPD.

The financial assistance is for a duration not exceeding 3 years. The estimated amounts of RM6,000,000 set out above is merely estimate for the period from the forthcoming AGM to the next AGM and the actual amount may vary. If the actual amount of financial assistance provided or rendered exceeds the estimates, the Company must make an immediate announcement of the same. If the percentage ratio of the amount of financial assistance provided or rendered in excess of the Estimate is 5% or more, the Company must comply with Paragraph 10.08 of the Listing Requirements.

2.7 Amount due and owing under the RRPT

The breakdown of the principal amount of the total outstanding amount due and owing to the Group under the recurrent related party transactions which have exceeded the credit term as at 31 March 2022 are as set out below:

No.	Related Party with whom the Group is transacting	Company within the Group involved in RRPT	Total sum due and owing pursuant to RRPT which exceeded the credit terms as at financial year ended 31 March 2022			
			1 year or less		More than 1 to 3 years	
			Principal Sum (RM)	Interest (RM)	Principal Sum (RM)	Interest (RM)
(1)	Four Seas	SHPL	1,565	-	-	-
(2)	Prosful	SH Moment	7,407	-	-	-

The breakdown of the principal amount of the total outstanding amount due and owing to the Group under the recurrent related party transactions which have exceeded the credit term as at LPD are as set out below:

No.	Related Party with whom the Group is transacting	Company within the Group involved in RRPT	Total outstanding amount due and owing to the Group under the recurrent related party transactions which have exceeded the credit term as at LPD	
			Principal Sum (RM)	Interest (RM)
(1)	Uni Moment	SH Moment	322,041	-
(2)	Prosful	SH Moment	7,407	-

The aggregate principal amount of outstanding RRPT which have exceeded the credit term as at 31 March 2022 and at the LPD are RM8,972 and RM329,448 respectively. In keeping with the normal business practice in the transportation and logistics industry, no late payment charges were imposed on the outstanding receivables as a gesture of goodwill to valued customers. Late payment charges were only imposed on the outstanding receivables which are significant.

The Group has undertaken the following actions in recovering the above amounts due:-

- (a) Sending out reminders and following up with calls; and
- (b) The Finance Department will provide a monthly summary of overdue and significant debts of each subsidiary company to the Executive Directors for their monitoring and decision.

Given the above measures and the Executive Directors' in-depth knowledge of the Related Parties' operations, the Board is of the view that the outstanding amounts will be recoverable.

2.8 **The guideline and review procedures on which transaction prices will be determined and other review procedures**

2.8.1 **Review methods and procedures for RRPT**

To ensure that the Group is not disadvantaged by the recurrent related party transactions, the Group shall, consistent with the Group's usual business practices and policies, conduct such transactions on normal commercial terms which shall not be detrimental to the interest of the minority shareholders nor more favourable to the Related Party(ies) than those generally extended to third party(ies) and/or the public. The transaction prices are determined based on the prevailing market prices of similar products/services in the open market, after taking into account the quality of and other value-added services in relation to the products/services provided.

The Group will also implement the following review procedures to monitor the RRPT and ensure that such transactions are undertaken on transaction prices and terms not more favourable to the Related Parties than those generally available to the public and are not detriment to the interest of the minority shareholders:

- (a) A list of Related Parties will be circulated within the Group from time to time and for reference and simultaneously, the Related Party(ies) will be notified to ensure that all RRPT are undertaken in accordance with the policies.
- (b) All RRPT will be reviewed and approved by the Audit Committee before they are approved by the Board and entered into;
- (c) Records will be maintained by the Company for the Audit Committee's review in respect of all RRPT which are entered into pursuant to the Proposed Shareholders' Mandate.
- (d) The Board and the Audit Committee shall review all RRPT quarterly to ascertain that the procedures established to monitor such transactions have been duly complied with.
- (e) The transaction prices and terms will be determined by market forces applicable to similar commercial transactions with unrelated third parties, which depend on the demand and supply, quality, delivery and availability of the products in the domestic market. Additional quotations will also be obtained from third parties for the Company to evaluate the suppliers based on the prices, delivery, services and other terms and conditions before entering into such transactions.
- (f) The Board and Audit Committee shall have the overall responsibility to determine the review procedures for the RRPT. If a member of the Board and/or Audit Committee has an interest in such transactions as the case may be, he will abstain from any decision-making undertaken by the Board and the Audit Committee respectively in respect of such transaction.

The Group shall ensure that 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 produces/services and/or quantities.

In the event that quotations or comparative pricing from unrelated third party cannot be obtained for the proposed transactions, the Board and the Audit Committee will rely on the Group's usual business practices and policies, which are on terms not more favourable to Related Parties than those extended to third parties/public bearing in mind the urgency and efficiency of services to be provided or required to ensure that the RRPT is not detrimental to the Company/Group.

2.8.2 Review methods and procedures for the provision of financial assistance

The treasury functions for all the companies within the See Hup Group are centralised and the services include the provision of advances. The management will monitor closely the amount of financial assistance within the See Hup Group. If the percentage ratio of the amount of financial assistance provided or rendered in excess of the Estimate is 5% or more, the Company must comply with Paragraph 10.08 of the Listing Requirements.

2.8.3 Thresholds for Approval of RRPT

There are thresholds for the approval of RRPT within the Group and all the RRPT will be reviewed by the Audit Committee and approved by the Board of Directors. RRPT will be reviewed and authorised by the following parties:

Nature of Recurrent Transactions	Equal to or exceeding (per transaction) (RM)	But less than (per transaction) (RM)	Authority Levels
Logistic and forwarding/ Transportation/ Warehousing services	Less than 500,000	-	Executive Director
	500,000	1,000,000	Group Managing Director
	1,000,000	No limit	Audit Committee
Financial Assistance	Less than 500,000	-	Executive Director
	500,000	1,000,000	Group Managing Director
	1,000,000	No limit	Audit Committee

3 DISCLOSURE IN ANNUAL REPORT

Disclosure will be made in the Company's 2022 Annual Report and in the Annual Reports for subsequent financial years that the Proposed Shareholders' Mandate continue to be in force, amongst others on the following information:

- (f) the type of recurrent related party transactions made; and
- (g) the names of the related parties involved in each type of the recurrent related party transactions made and their relationship with the Company.

4 DEVIATION FROM MANDATE

The actual value of RRPT did not exceed 10% of the estimated value as approved under the previous shareholders' mandate granted to the Company at the last AGM held on 29 September 2021.

5 STATEMENTS BY THE AUDIT COMMITTEE

The Audit Committee is of the opinion that the Proposed Shareholders' Mandate is fair, reasonable and is in the best interest of the Company and its shareholders.

The Audit Committee of the Company, with the overall responsibility in determining the procedures for reviewing all RRPT, will at least once a year, conduct a review and ascertain that the guidelines and procedures established to monitor the RRPTs have been complied with.

The Audit Committee of the Company has seen and reviewed the procedure mentioned in section 2.7 above and is of the view that:

- (a) the procedures and processes are sufficient to ensure that the RRPT are carried out on terms are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders; and
- (b) the Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner, and such procedures and processes are reviewed on a yearly basis or whenever the need arises.

6 RATIONALE FOR AND BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE

6.1 Rationale for and benefits of the RRPT

The companies in the Group named in Section 2.3 above have in the past entered into the recurrent related party transactions disclosed in Section 2.5 above and will continue and/or are expected to enter into such transactions in the ordinary course of business for the Group's day-to-day operations.

The recurrent related party transactions are likely to occur with some degree of frequency and, could arise any time as and when the circumstances so require. Some of these transactions may be time-sensitive and it may be impractical to seek shareholders' approval on a case to case basis before entering into such related party transactions.

The obtaining of the shareholders' mandate and the renewal thereof on an annual basis would eliminate the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPT of a revenue or trading nature arise, thereby reducing administrative time and costs associated with the convening of such meetings without compromising the corporate objectives or adversely affecting the business opportunities available to the Group.

Some of the benefits to be derived from the RRPT are:

- (a) the Related Parties with whom the Group transacts are reliable suppliers of the goods/services required for the Group's business and therefore, risk of any interruption to the Group's day-to-day operations would be minimised;
- (b) the prices of the recurrent related party transactions are competitive and the terms are not more favourable to the Related Parties than those generally available to the public;
- (c) prompt and better service can be obtained as the Related Parties have in-depth understanding of the Groups' businesses and industries within which the Group operates;
- (d) the close working relationship and co-operation between the Group and the related parties would result in better communication and understanding of the Group's business needs (for example, priority in vehicles routing) which would in turn improve the Group's asset allocation and delivery time, resulting in the Group being able to better fulfill its customers' demands and become more competitive in the logistics industry;
- (e) the business relationships established with the two (2) companies incorporated in Thailand would enhance See Hup's customer base in Haadyai and Bangkok and facilitate cross-border customs clearance and minimise the constraints of capacity and regulatory compliance in the provision of cross-border inland transport.

6.2 Rationale for and benefits of the provision of financial assistance

The rationale for the provision of financial assistance by the Company to its subsidiaries is to facilitate the pooling of funds via a centralised treasury management to provide short or medium term working capital in accordance with Paragraph 3.4 of the Practice Note 12.

The benefit of the provision of financial assistance via a centralised treasury management is to ensure efficient utilisation of the group financial resources. The provision of financial assistance is given by/to subsidiaries as and when there is surplus fund as See Hup is practicing efficient fund management by reducing the bank borrowing to increase the shareholders' wealth of See Hup. Any subsidiary which has surplus fund for the specific period will have to notify See Hup and See Hup will channel the fund to the subsidiary that needs the fund and hence reduce group borrowings.

7 FINANCIAL EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate is not expected to have any effect on the issued share capital, the substantial shareholding of the Company, EPS, NA and gearing of the Group for the financial year ended 31 March 2022.

8 APPROVAL REQUIRED

The Proposed Shareholders' Mandate is subject to approval being obtained from the shareholders of See Hup at the forthcoming AGM.

9 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND OR PERSONS CONNECTED TO THEM

9.1 Interest of Directors in See Hup and its subsidiaries

As at LPD, the direct and indirect shareholdings in the Company of the interested Directors of See Hup and its subsidiaries are as follows:

Name	Direct interest		Indirect interest	
	No. of shares	%	No. of shares	%
Director of See Hup				
Haji Shamsul Ariffin Bin Mohd Nor	35,000	0.04	-	-

Director of See Hup' subsidiary				
Dato' Seri Teoh Hai Hin	205,400	0.26	-	-

Save as disclosed above, none of the Directors namely, Datuk Haji Muhadzir Bin Mohd Isa, Li Chun Huat, Li Chau Ging, Khoo Teng Lye, Lee Kean Leng and Lee Kiang Hwa who are interested in the Proposed Shareholders' Mandate have any shareholding, direct or indirect, in the Company. Accordingly, they will undertake to ensure that persons connected to them will abstain from voting in respect of their direct and indirect shareholdings in See Hup at the forthcoming AGM on the ordinary resolution pertaining to the Proposed Shareholders' Mandate.

The interested Directors namely, Haji Shamsul Ariffin Bin Mohd Nor, Datuk Haji Muhadzir bin Mohd Isa, Li Chun Huat, Li Chau Ging, Lee Kean Leng, Lee Kiang Hwa and Dato' Seri Teoh Hai Hin being Directors who are interested in the Proposed Shareholders' Mandate have abstained and will continue to abstain from all Board deliberations and voting on Proposed Shareholders Mandate at the relevant Board meetings and shall also abstain from voting in respect of their direct and indirect shareholdings in See Hup on the ordinary resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming AGM.

9.2 Interest of Major Shareholders in See Hup

None of the major shareholders of See Hup have any interest, direct and indirect, in the Proposed Shareholders' Mandate.

The interested Directors as mentioned above have undertaken that they will ensure that persons connected to them will abstain from voting in respect of their direct and indirect shareholdings in See Hup at the forthcoming AGM on the Proposed Shareholders' Mandate.

Save as disclosed above, none of the other Director or major shareholder and persons connected to them as defined in the Listing Requirements have any interests, direct or indirect, in the Proposed Shareholders' Mandate.

10 DIRECTORS' RECOMMENDATION

Having considered all aspects of the Proposed Shareholders' Mandate, the Directors, save for Haji Shamsul Ariffin Bin Mohd Nor and Datuk Haji Muhadzir Bin Mohd Isa, are of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Group.

With the exception of Haji Shamsul Ariffin Bin Mohd Nor and Datuk Haji Muhadzir Bin Mohd Isa, who are interested in the Proposed Shareholders' Mandate and have therefore abstained from making any recommendation in respect of the RRPT in which they are involved, the Board recommends that you vote in favour of the Ordinary Resolution on the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

11 AGM

The AGM, the notice of which is enclosed in the 2022 Annual Report of the Company for the financial year ended 31 March 2022, will be convened at No 1062, Mukim 6, Jalan Perusahaan, Kawasan Perusahaan Perai, 13600 Perai, Penang on Monday, 12 September 2022 for the purpose of considering and, if thought fit, passing the resolutions to give effect to the Proposed Shareholders' Mandate.

If you are unable to attend the AGM in person, you are requested to complete the enclosed Form of Proxy in accordance with the instructions contained therein and forward it to the registered office of the Company at 170-09-01, Livingston Tower, Jalan Argyll Georgetown, 10050 Penang so as to arrive not later than forty-eight (48) hours before the time set for the holding of the AGM. 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.

12 FURTHER INFORMATION

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

Yours faithfully
For and on behalf of the Board
SEE HUP CONSOLIDATED BERHAD

Ng Shiek Nee
Audit Committee Chairman & Independent Non-Executive Director

Part B

Statement to Shareholders in relation to the Proposed
Renewal of Authority to Buy-Back its own shares by the
Company



SEE HUP CONSOLIDATED BERHAD

Registration No. 199601018726 (391077-V)
(Incorporated in Malaysia)

2.1 STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY TO BUY-BACK ITS OWN SHARES BY THE COMPANY

1 INTRODUCTION

At the Twenty-Fifth AGM of the Company held on 29 September 2021, the Board had obtained Shareholders' approval to undertake the share buy-back of up to ten per centum (10%) of the total issued share of the Company. This authority will, in accordance with Chapter 12 of the Listing Requirements, lapse at the conclusion of the forthcoming Twenty-sixth (26th) AGM unless such authority is renewed by an ordinary resolution passed at the forthcoming 26th AGM.

On 19 July 2022, the Board of Directors of the Company announced the proposal to seek renewal of the Share Buy-Back authority.

The purpose of this Statement is to provide you with details of the Proposed Share Buy-Back and to seek your approval for the ordinary resolution to be tabled at the forthcoming 26th AGM to be held on 12 September 2022.

2 DETAILS OF THE RENEWAL OF SHARE BUY-BACK AUTHORITY

2.1 General

The Company proposes to seek the authority from shareholders of See Hup to renew the authority to enable the Company to purchase and/or hold from time to time and at any time up to ten per centum (10%) of the total number of issued shares of the Company at the point of purchase.

In accordance with Section 127 of the Act, and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase, the Company is allowed to purchase its own Shares on the Bursa Securities through its appointed stockbroker(s) as approved by Bursa Securities.

As at the date of this Circular, the Company has bought back 939,200 shares from the open market.

As at LPD, the total number of issued shares of See Hup is 80,426,301. A total of up to 8,042,630 Shares (inclusive of 939,200 Shares held as Treasury Shares) may be purchased by the Company. As such, the balance that can be purchased as at to-date is 7,103,430

The shareholders' authorisation for the Proposed Share Buy-Back will be effective upon the passing of the ordinary resolution for the Proposed Share Buy-Back at the forthcoming AGM until:

- (2) the conclusion of the next AGM of the Company, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (3) the expiration of the period within which the next AGM is required by law to be held; or

- (4) revoked or varied by an ordinary resolution passed by the shareholders of the Company in general meeting, whichever occurs first ("Proposed Authorised Period").

2.2 Public Shareholding Spread

The Proposed Share Buy-Back will be in accordance with Section 127 of the Act and any prevailing laws, orders, requirements, guidelines, rules and regulation issued by the relevant authorities as the time of purchase including compliance with Paragraph 8.02(1) of the Listing Requirements which requires the Company to maintain a public shareholding spread of at least twenty-five per centum (25%) of its total listed shares (excluding Treasury Shares) or such lower percentage of public shareholding spread as may be allowed by Bursa Securities.

As at LPD, the public shareholding spread of the Company was 27.22%. The public shareholding spread is expected to be reduced to 20.07% assuming the Proposed Share Buy-Back is implemented in full with the purchases from the market and all the Shares so purchased are fully cancelled.

2.3 Funding

The Proposed Share Buy-back will be financed through internally generated funds and/or bank borrowings. The Proposed Share Buy-Back by the Company must be made wholly out of its retained profits. The maximum amount of funds to be utilised by the Company for the Proposed Share Buy-Back shall not exceed the retained profits of the Company. Based on the audited financial statements as at 31 March 2022, being the latest available audited financial statements of the Company, the retained profits of the Company is RM20,249,748.

In the event that the Company intends to purchase its own shares using bank borrowings, the Board shall ensure that the Company shall have sufficient funds to repay the external borrowings and that the repayment is not expected to have any material effect on the cash flow of the Company and Group.

2.4 Treatment of Shares Purchased

Pursuant to the provisions of Section 127 of the Act, the Company may either retain the Purchased Shares as treasury shares or cancel the Purchased Shares or a combination of both.

The Purchased Shares, held as Treasury Shares may either be distributed as share dividends, resold on Bursa Securities in accordance with the relevant rules of Bursa Securities or transfer pursuant to Section 127(7) of the Act or subsequently cancelled or any combination of the above.

The distribution of treasury shares as share dividends may be applied as a reduction of the retained profits of the Company subject to any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase.

To date, the Company has yet to determine the manner of which the Purchased Shares are to be treated. However, the Board will deal with the Purchased Shares in accordance with Section 127 of the Act and will make an immediate announcement to Bursa Securities regarding the treatment of the Purchased Shares, whether the Shares purchased will be cancelled, retained as treasury shares, distributed as dividend to the shareholders, transfer pursuant to Section 127 of the Act and/or resold on Bursa Securities, or a combination of above, once determined.

2.5 **Ranking**

While the Purchased Shares are held as Treasury Shares, Section 127(9) of the Act states that the rights attached to them as to voting, dividends and participation in other distribution and 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 shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

2.6 **Pricing**

Pursuant to the Listing Requirements, the Company may only purchase its own Shares on the Bursa Securities at a price not more than fifteen per centum (15%) above the weighted average market price of the Shares for the five (5) market days immediately preceding the date(s) of purchase(s).

If the treasury shares are subsequently resold on the Bursa Securities or transfer, the selling price of the said Shares has to be:

- (5) a price which is not less than the weighted average market price of the Shares for the five (5) market days immediately before the resale or transfer; or
- (6) a discounted price of not more than five per centum (5%) to the weighted average market price of the Shares for the five (5) market days immediately before the resale or transfer provided that:
 - (i) the resale or transfer takes place no earlier than thirty (30) days from the date of purchase; and
 - (ii) the resale or transfer price is not less than the cost of purchase of the Shares being resold or transferred.

2.7 **Purchase of, Resale or Transfer and Cancellation of See Hup Shares made in the preceding Twelve (12) Months**

See Hup has not purchased any Shares in the previous twelve (12) months preceding the date of this Statement. There was also no resale, transfer or cancellation of Treasury Shares during the same period.

As at 31 March 2022, a total of 373,000 repurchased shares were retained as Treasury Shares.

2.8 **Implication of the Code**

In the event that the Proposed Share Buy-Back results in any Major Shareholder holding more than thirty-three per centum (33%) of the voting shares of the Company, pursuant to the Code, the affected Major Shareholder will be obliged to make a mandatory offer for the remaining Shares not held by it.

In the event that the Proposed Share Buy-Back results in any Major Shareholder who already held more than thirty-three per centum (33%) of the voting shares of the Company increasing by more than two per centum (2%) in any six (6) months period, pursuant to the Code, the affected Major Shareholder will be obligated to make a mandatory offer for the remaining Shares not held by it.

However, a waiver may be granted by the Securities Commission under Practice Note 9 of the Code, subject to the affected Major Shareholder complying with certain conditions, if the obligation was triggered as a result of action outside its direct participation.

3 RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back will give the Directors the flexibility to purchase Shares, if and when circumstances permit, with a view to enhance the EPS of the Group and NA per share of the Company. The Company is also able to reduce any unwarranted volatility of the Shares and assist to stabilise the supply, demand and price in the open market, thereby supporting the fundamental value of the Shares.

4 POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back, if exercised, is expected to potentially benefit the Company and its shareholders as follows:

4.1 Potential Advantages

- (1) The Company would expect to enhance the EPS of the Group (in the case where the Directors resolve to cancel the Shares so purchased and/or retain the Shares in treasury and the treasury shares are not subsequently resold or transferred), and thereby long-term and genuine investors are expected to enjoy a corresponding increase in the value of their investments in the Company;
- (2) If the Shares bought back are kept as treasury shares, it will give the Directors an option to sell the Shares so purchased at a higher price and therefore make an exceptional gain for the Company. Alternatively, the Shares so purchased can be distributed as share dividends to reward shareholders;
- (3) The Company may be able to stabilise the supply and demand of its Shares in the open market and thereby supporting its fundamental values;
- (4) It allows the Company the flexibility in attaining its desired capital structure; and
- (5) It will enable the Company to utilise its surplus financial resources which is not immediately required for other usage as an additional option to utilise its financial resources more efficiently.

4.2 Potential Disadvantages

- (1) The Proposed Share Buy-Back, if exercised, will reduce the financial resources of See Hup and may result in See Hup having to forego other alternative investment opportunities which may emerge in the future or, at the least, deprive the See Hup interest income that can be derived from the funds utilised for the Proposed Share Buy-Back; and
- (2) The Proposed Share Buy-Back if implemented, may result in a lower amount of cash reserves available for distribution in the form of cash dividends to shareholders. However, the financial resources of the Company may increase upon resale of the Purchased Shares held as Treasury Shares at prices higher than the purchased price.

The Proposed Share Buy-Back is not expected to have any potential material disadvantage to the Company and its shareholders, other than as disclosed below, as it will be exercised only after consideration of the financial resources of the Group and of the resultant impact on its shareholders.

Nevertheless, the Board will be mindful of the interest of the Company and its shareholders in undertaking the Proposed Share Buy-Back and the subsequent resale of Treasury Shares on Bursa Securities.

5 FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

Based on the assumption that the Proposed Share Buy-Back was carried out in full, the financial effects are summarised below:

5.1 Share Capital

In the event that all the shares purchased are cancelled and on the assumption that the Proposed Share Buy-Back is exercised in full, the proforma effects of the Proposed Share Buy-Back on the issued shares of See Hup as at LPD are as follows :-

	Number of Shares
Number of Issued shares as at LPD	80,426,301
Cancellation of Purchased Shares	(8,042,630)
After the Proposed Share Buy-Back	72,383,671

However, there should be no effect on the Issued Shares of See Hup if the Purchased Shares are retained as Treasury Shares.

5.2 EPS

The effect of the Proposed Share Buy-Back on the EPS of the Group will depend on the purchase price(s) of the Shares and the actual number of Shares bought back.

The reduced issued share capital subsequent to the Proposed Share Buy-Back will generally have a positive impact, all else being equal, on the Group's EPS. Should the Shares be resold, the extent of the impact to the earnings of See Hup will depend on the actual selling price, the number of Treasury Shares resold, the effective funding cost and the gain or loss on the disposal, if any.

5.3 NA

The effect of the Proposed Share Buy-Back on the NA per Share of the Group is dependent on the purchase price(s) of the Shares, the number of Shares purchased, the treatment of the Shares so purchased and the effective funding cost.

Depending on the purchase price and number of Shares purchased, the Proposed Share Buy-Back will reduce the consolidated NA per Share at the time of purchase if the purchase price exceeds the consolidated NA per Share and conversely will increase the consolidated NA per Share at the time of purchase if the purchase price is less than the consolidated NA per Share. In the event the Purchased Shares are resold, the consolidated NA per Share will increase if a gain from the resale is recognised, and vice versa.

If the Purchased Shares which were held as Treasury Shares, are distributed as share dividends, the consolidated NA per share will decrease by the cost of the Treasury Shares.

5.4 Working Capital

The Proposed Share Buy-Back is likely to reduce the working capital of the Group, the quantum of which depends on, amongst others, the number of Shares purchased, the purchase price of the Shares and any associated costs incurred in funding the purchase.

However, if the Purchased Shares kept as Treasury Shares, are resold on Bursa Securities, the working capital of the Group would increase if the Company realises a gain from the resale.

The quantum of the increase in the working capital will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

5.5 **Dividends**

The Proposed Share Buy-Back may reduce the amount of distributable reserves available for payment of dividend in the immediate future.

Assuming the Proposed Share Buy-Back is implemented in full and the Company's quantum of dividends is maintained at historical levels, the Proposed Share Buy-Back will have the effect of increasing the dividend rate of the Company as a result of the reduction in the issued capital of the Company.

The Proposed Share Buy-Back may have an adverse impact on the Company's dividend, if any, as it would reduce the cash available, which may otherwise be used for dividend payment. Nonetheless, the Purchased Shares may be distributed as dividends to shareholders of the Company, if the Company so decides.

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6 DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

None of the Directors, Substantial Shareholders and persons connected to them has any direct or indirect interest in the Proposed Share Buy-Back and/or the resale of treasury shares, if any.

The proforma table below shows the effects of the shareholdings of the Directors and Substantial shareholders of See Hup as at LPD before and after the Proposed Share Buy-Back on the assumption that the Proposed Share Buy-Back is implemented in full and the Purchased Shares are held as treasury shares:

No. of Shares held							
Before Proposed Share Buy-Back				After Proposed Share Buy-Back			
Direct		Indirect		Direct		Indirect	
No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%

Directors of See Hup								
Lee Hean Huat	774,530	0.97	12,167,994*	15.31	774,530	1.07	12,167,994*	16.81
Lee Chor Min	1,100,000	1.38	-	-	1,100,000	1.52	-	-
Haji Shamsul Ariffin Bin Mohd Nor	35,000	0.04	-	-	35,000	0.05	-	-
Datuk Haji Muhadzir Bin Mohd. Isa	-	-	-	-	-	-	-	-
Ng Shiek Nee	20,000	0.03	-	-	20,000	0.03	-	-
Lee Phay Chian	-	-	-	-	-	-	-	-
Mak Cheow Yeong	43,400	0.05	-	-	43,400	0.06	-	-

Substantial Shareholders of See Hup								
Hean Brothers Holdings Sdn. Bhd.	9,543,094	12.01	-	-	9,543,094	13.18	-	-
Dato' Lee Hean Guan	6,508,078	8.19	22,288,029**	28.04	6,508,078	8.99	22,288,029**	30.79
LHG Holdings Sdn. Bhd.	12,744,935	16.03	-	-	12,744,935	17.61	-	-
Lee Hean Huat	774,530	0.97	9,543,094#	12.01	774,530	1.07	9,543,094#	13.18
Lee Hean Teik	452,890	0.57	9,543,094#	12.01	452,890	0.63	9,543,094#	13.18
Lee Hean Seng	438,405	0.55	9,543,094#	12.01	438,405	0.61	9,543,094#	13.18

	No. of Shares held							
	Before Proposed Share Buy-Back				After Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Lee Hean Beng	405,000	0.51	9,543,094 [#]	12.01	405,000	0.56	9,543,094 [#]	13.18
Datin Chan Kooi Cheng	100,000	0.13	12,744,935 [@]	16.03	100,000	0.14	12,744,935 [@]	17.61
Progerex Sdn. Bhd.	11,952,000	15.04	-	-	11,952,000	16.51	-	-
Ooi Chieng Sim	5,495,800	6.91	-	-	5,495,800	7.59	-	-

Note:

* Deemed interest by virtue of his shareholdings in Hean Brothers Holdings Sdn. Bhd. pursuant to Section 8 and shares held in the name of spouse and children pursuant to Section 59(11)(c) of the Act.

** Deemed interest by virtue of his interests in Hean Brothers Holdings Sdn. Bhd. and LHG Holdings Sdn. Bhd. pursuant to Section 8 of the Act.

Deemed interest by virtue of their interests in Hean Brothers Holdings Sdn. Bhd. pursuant to Section 8 of the Act.

@ Deemed interest by virtue of her interests in LHG Holdings Sdn. Bhd. pursuant to Section 8 of the Act.

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7 SHARE PRICES

The monthly highest and lowest prices of the Shares traded on the Bursa Securities for the last twelve (12) months from June 2021 to June 2022 are as follows:

Year Month	High (RM)	Low (RM)
2021 June	1.73	1.22
2021 July	1.34	1.10
2021 August	1.22	1.01
2021 September	1.33	1.01
2021 October	1.24	1.03
2021 November	1.55	1.11
2021 December	1.30	1.16
2022 January	1.30	1.17
2022 February	1.25	1.12
2022 March	1.16	1.00
2022 April	1.15	1.00
2022 May	1.03	0.99
2022 June	1.04	0.98

Source: Bloomberg

The last transacted price of See Hup Shares on 12 July 2022, being the last practicable date prior to the printing of this Circular was RM1.04.

8 DIRECTORS' RECOMMENDATION

The Directors having considered all aspects of the Proposed Share Buy-Back are of the opinion that the Proposed Share Buy-Back is in the best interests of the Company and its shareholders. Accordingly, the Directors recommend that you vote in favour of the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

9 APPROVAL REQUIRED

The Proposals are subject to the approval of the shareholders at the forthcoming 26th AGM to be convened.

10 FUTHER INFORMATION

Shareholders of the Company are requested to refer to Appendix I contained in this Circular for further information.

FURTHER INFORMATON

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. MATERIAL CONTRACTS

Save as disclosed below, neither the Company nor its subsidiaries has entered into any material contracts (not being contracts entered into in the ordinary course of business) within two (2) years immediately preceding the date of this Circular:

- (a) On 14 January 2021, Limsa Ekuiti Sdn Bhd, a wholly owned subsidiary of the Company, entered into a conditional Sale and Purchase Agreement with Wangsaga Industries Sdn Bhd and Tek Seng Properties & Development Sdn Bhd for the disposal of a parcel of industrial land formed by nine (9) adjoining lots, measuring approximately 853,863 square feet, held under Geran Mukim 996, 997, 998, 988, 989, 991, 992, 993 and 994, Lot Nos. 324, 640, 642, 1504, 1505, 1664, 1667, 1669 and 1702, all within Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang for a total cash consideration of RM46,962,465. On 6 August 2021, the Company had announced the completion of the disposal.

3. MATERIAL LITIGATION

Neither the Company nor its subsidiaries is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Directors have no knowledge of any proceedings pending or threatened against the Company and/or its subsidiaries or of any fact likely to give rise to any proceedings which might adversely and materially affect the financial position or business of the Company and/or its subsidiaries.

4. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection during normal business hours at the registered office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Penang from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the AGM:

- (a) the audited financial statements of See Hup Group for the past two (2) financial years ended 31 March 2021 and 31 March 2022; and
- (b) the Sale and Purchase Agreement referred to in Section 2 above.