

THIS CIRCULAR 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 ADVISERS IMMEDIATELY.

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TEXCHEM RESOURCES BHD

[Registration No. 197301002868 (16318-K)]

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

PART A

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR
TRADING NATURE**

PART B

**SHARE BUY-BACK STATEMENT IN RELATION TO THE
PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY**

The 50th Annual General Meeting (“50th AGM”) will be conducted on a **virtual basis** at the Broadcast Venue through live streaming and online remote voting via the Remote Participation and Voting Facilities (“RPV Facilities”) in Securities Services e-Portal (“SS e-Portal”) at <https://sshbsb.net.my/>.

Please follow the procedures provided in the Administrative Guide for the 50th AGM in order to register, participate and vote remotely via RPV Facilities.

The resolutions pertaining to the above proposals will be tabled at the 50th AGM of Texchem Resources Bhd. The Notice of the 50th AGM, the Proxy Form, the Administrative Guide and this Circular can be viewed and downloaded from the Company’s website at www.texchemgroup.com or from Bursa Securities’s website at www.bursamalaysia.com.

If you are unable to attend and vote at the 50th AGM, you may appoint a proxy or proxies or the Chairman to attend and vote on your behalf. If you wish to do so, you must complete the Proxy Form in accordance with the instructions therein and submit to the Registered Office of the Company at Level 18, Menara Boustead Penang, 39, Jalan Sultan Ahmad Shah, 10050 George Town, Penang or submit electronically via SS e-Portal at <https://sshbsb.net.my/> not later than 48 hours before the time set for holding the meeting.

Last day and time for lodging the Proxy Form : Saturday, 27 April 2024 at 10.30 a.m.

Date and time of 50th AGM : Monday, 29 April 2024 at 10.30 a.m.

Broadcast Venue of 50th AGM : Boardroom,
Level 18, Menara Boustead Penang,
39, Jalan Sultan Ahmad Shah,
10050 George Town, Penang

This Circular is dated 29 March 2024

DEFINITIONS

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

“Act”	Companies Act 2016, as may be amended, modified or re-enacted from time to time
“AGM”	Annual General Meeting
“Bursa Securities”	Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
“Board”	Board of Directors of TRB
“Circular”	This Circular dated 29 March 2024 to the Shareholders in relation to (Part A) Proposed Renewal of Shareholders’ Mandate and (Part B) Proposed Share Buy-Back
“Code”	Malaysian Code on Take-Overs and Mergers 2016, as may be amended, modified or re-enacted from time to time
“Director(s)”	Shall have the meaning given in Section 2(1) of 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 of TRB and/or any of its subsidiaries and/or its holding company or a chief executive of TRB and/or any of its subsidiaries and/or its holding company
“Eligible Persons”	Any Executive Director(s) and/or employee(s) of TRB Group (excluding subsidiaries which are dormant, if any) who meet the criteria of eligibility for participation in the ESOS
“EPS”	Earnings Per Share
“ESOS”	Employees’ share option scheme
“Existing Shareholders’ Mandate”	The Shareholders’ mandate obtained at TRB’s AGM held on 17 May 2023 for TRB and/or its subsidiaries to enter into the Recurrent Related Party Transactions as set out in Part A, Sections 2.4(a) of this Circular
“IT”	Information Technology
“Listing Requirements”	Main Market Listing Requirements of Bursa Securities
“LPD”	12 March 2024 being the latest practicable date prior to the date of this Circular
“Major Shareholder(s)”	<p>A person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares is:-</p> <ul style="list-style-type: none">(a) 10% or more of the total number of voting shares in the corporation; or(b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation, <p>including 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, as defined above, of TRB or any other corporation which is its subsidiary or holding company. For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act</p>

“NA”	Net Assets
“Outstanding Options”	7,932,500 options which have been vested under the ESOS and yet to be exercised as at the LPD
“Preceding Year’s Circular”	Circular to Shareholders dated 17 April 2023
“Proposed Renewal of Shareholders’ Mandate”	Proposed renewal of the Existing Shareholders’ Mandate
“Proposed Share Buy-Back”	Proposed share buy-back for the Company to purchase up to 10% of the total number of issued shares of the Company pursuant to the Proposed Renewal of Existing Share Buy-Back Authority
“Proposed Renewal of Existing Share Buy-Back Authority”	Proposed renewal of the existing share buy-back authority obtained at TRB’s AGM held on 17 May 2023
“Purchased Shares”	Shares purchased by the Company pursuant to the Proposed Share Buy-Back
“Related Party(ies)”	Director(s), Major Shareholder(s) or person(s) connected with such Director(s) or Major Shareholder(s)
“Recurrent Related Party Transactions”	Recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are in the ordinary course of business of TRB and/or its subsidiaries which involve the interest, direct or indirect, of a Related Party(ies)
“RM” and “sen”	Ringgit Malaysia and sen respectively
“Shareholders”	Shareholders of TRB
“Shares”	Ordinary Shares in TRB
“Statement”	Share Buy-Back Statement in relation to the Proposed Renewal of Existing Share Buy-Back Authority
“Substantial Shareholder(s)”	A person has a substantial shareholding in a company if he has an interest 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 included in the company as defined under Section 136 of the Act
“Texcorp”	Texchem Corporation Sdn Bhd [198001005857 (59641-U)], a 73.94% owned subsidiary of TRB
“Texcorp Group”	Texcorp, its subsidiary and any new companies to be acquired and/or incorporated by Texcorp and/or its subsidiary
“THSB”	Texchem Holdings Sdn Bhd [198701007932 (166649-T)], a Major Shareholder of TRB
“TRB” or “the Company”	Texchem Resources Bhd [197301002868 (16318-K)]
“TRB Group”	TRB, its subsidiaries, associated companies and any new companies to be acquired and/or incorporated by TRB, its subsidiaries and/or associated companies

“Treasury Shares”

The Shares purchased and retained by the Company and shall have the meaning under Section 127(4)(b) of the Act

“Validity Period”

The period commencing from the date of approval by Shareholders of the Proposed Renewal of Shareholders’ Mandate at the forthcoming AGM of TRB until:-

- (i) the conclusion of the next AGM of TRB following the forthcoming 50th AGM of TRB at which the Proposed Renewal of Shareholders’ Mandate is approved, at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM of TRB;
- (ii) the expiration of the period within which the next AGM of TRB is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the Shareholders in general meeting,

whichever is the earlier

CONTENTS

PART A

Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature

Letter to the Shareholders containing:-	Page
1. Introduction	1
2. Details of the Proposed Renewal of Shareholders' Mandate	2
2.1. Paragraph 10.09 of Chapter 10 of the Listing Requirements and Practice Note 12	2
2.2. Proposed Renewal of Shareholders' Mandate and Validity Period	2
2.3. Classes of Related Parties	3
2.4(a). Proposed Renewal of Recurrent Related Party Transactions	5
2.4(b). Basis of estimates	7
2.4(c). A statement in relation to amount due and owing to TRB by Related Parties	7
2.5. Rationale for and the benefit to TRB Group for transacting with the Related Parties	7
2.6. Review methods or procedures for the Proposed Renewal of Shareholders' Mandate	8
2.7. Audit Committee's statements	9
2.8. Threshold of authority	9
3. Effects of the Proposed Renewal of Shareholders' Mandate	10
4. Approval required	10
5. Interests of Directors and/or Major Shareholders and/or persons connected with them	10
6. Directors' recommendation	11
7. AGM	11
8. Additional information	11

PART B

Proposed Renewal of Existing Share Buy-Back Authority

Letter to the Shareholders containing:-	Page
1. Introduction	12
2. Details of the Proposed Renewal of Existing Share Buy-Back Authority	12
3. Purchase, resale and cancellation of Treasury Shares made in the preceding 12 months	13
4. Rationale for the Proposed Renewal of Existing Share Buy-Back Authority	14
5. Potential advantages and disadvantages of the Proposed Share Buy-Back	14
5.1. Potential advantages	14
5.2. Potential disadvantages	14
6. Funding for the Proposed Share Buy-Back	14
7. Effects of the Proposed Share Buy-Back	15
7.1. Total number of issued Shares	15
7.2. Net assets	15
7.3. Working capital	16
7.4. Earnings and EPS	16
7.5. Dividends	16
7.6. Directors and Substantial Shareholders' shareholdings	16
8. Public shareholding spread	18
9. Historical Share prices	18
10. Implications of the Code	18
11. Approval required	19
12. Interests of Directors, Major Shareholders and/or persons connected with them	19
13. Directors' recommendation	19

APPENDIX

Appendix I	Additional information	20
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PART A

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



TEXCHEM RESOURCES BHD

[Registration No. 197301002868 (16318-K)]
(Incorporated in Malaysia)

Registered Office:-

Level 18, Menara Boustead Penang
39 Jalan Sultan Ahmad Shah
10050 George Town, Penang

29 March 2024

Board of Directors of TRB:

Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	(Executive Chairman)
Yap Kee Keong	(President and Group Chief Executive Officer)
Dr. Yuma Konishi	(Executive Director)
Dato' Azman Bin Mahmud	(Independent Non-Executive Director)
Dr. Zarizana @ Izana Binti Abdul Aziz	(Independent Non-Executive Director)
Jony Raw	(Independent Non-Executive Director)
Azian Binti Mohd Yusof	(Independent Non-Executive Director)

To: The Shareholders of TRB

Dear Sir/Madam

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

1. INTRODUCTION

- 1.1 The Board obtained the Existing Shareholders' Mandate at TRB's 49th AGM.

The authorisation under the Existing Shareholders' Mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 50th AGM of TRB unless the authority is renewed by a resolution passed at the forthcoming 50th AGM of TRB.

Consequently, on 7 March 2024, the Board announced that TRB is proposing to seek Shareholders' approval for the Proposed Renewal of Shareholders' Mandate.

- 1.2 The purpose of this Circular is to provide Shareholders with details of the Proposed Renewal of Shareholders' Mandate and to seek the Shareholders' approval for the ordinary resolution to be tabled at the forthcoming 50th AGM of TRB to be convened on a virtual basis through live streaming from the Broadcast Venue at Boardroom, Level 18, Menara Boustead Penang, 39, Jalan Sultan Ahmad Shah, 10050 George Town, Penang on Monday, 29 April 2024 at 10.30 a.m.

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION RELATING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

2.1 Paragraph 10.09 of Chapter 10 of the Listing Requirements and Practice Note 12

Under Paragraph 10.09 of Chapter 10 of the Listing Requirements read with Practice Note 12, the listed issuer may seek a shareholders' mandate in respect of the recurrent related party transactions of a revenue or trading nature which are necessary for its day-to-day operations 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:
 - in relation to a listed issuer with a share capital of RM60 million and above:
 - (i) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is RM1 million or more; or
 - (ii) the percentage ratios of such aggregated transactions is 1% or more, whichever is the higher; or
 - in relation to a listed issuer with a share capital which is less than RM60 million:
 - (i) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is RM1 million or more; or
 - (ii) the percentage ratios of such aggregated transactions is 1% or more, whichever is the lower;
- (c) the issuance of a circular to shareholders containing information as required under the Listing Requirements by the listed issuer;
- (d) in a meeting to obtain shareholders' mandate, the interested directors, interested major shareholders or interested persons connected with a director or major shareholder, and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) immediately announces to Bursa Securities when the actual value of a transaction entered into exceeds the estimated value of the transaction disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

2.2 Proposed Renewal of Shareholders' Mandate and Validity Period

TRB Group engages in a wide range of activities and is broadly categorised under the following sectors:-

- (a) Investment holding;
- (b) Manufacturing of polymer engineering products;
- (c) Trading;
- (d) Food;
- (e) Restaurant;
- (f) Provision of management services; insurance agents and managers in relation to insurance schemes; and
- (g) Rental of investment properties.

The principal activity of TRB is investment holding. The main activities of TRB's subsidiaries are trading in industrial chemicals and related products; manufacturing, marketing and trading of raw surimi, fishmeal and seafood products, food processing services; the operation of a chain of retail sushi and Japanese food outlets and restaurants specialising in Japanese cuisine; the manufacturing and selling of polymer engineering products for the hard disk drive, medical or life sciences, electrical and electronics, semiconductor and automotive industries; provision of management services; insurance agents and managers in relation to insurance schemes; investment holding and rental of investment properties.

Due to the diversity of TRB Group, it is anticipated that TRB Group would, in the ordinary course of business, enter into transactions as set out in Part A, Section 2.4(a) of this Circular with the Related Parties as set out in Part A, Section 2.3 of this Circular. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

The Shareholders' mandate, if obtained, will continue to be in force until the expiry of the Validity Period. Thereafter, approval from Shareholders for a renewal of the Shareholders' mandate will be sought at each subsequent AGM of TRB.

The Directors of TRB are now seeking approval from Shareholders for the Proposed Renewal of Shareholders' Mandate for the Validity Period which will allow TRB Group, in its ordinary course of business, to enter into the categories of Recurrent Related Party Transactions referred to in Part A, Section 2.4(a) of this Circular with the classes of Related Parties as set out in Part A, Section 2.3 of this Circular provided that such transactions, if any, are made on an arm's length basis, on TRB Group's normal commercial terms and on 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.

2.3 Classes of Related Parties

- (a) The Recurrent Related Party Transactions will apply to the following classes of Related Parties:-

No.	Related Party	Place of Incorporation	Principal Activity	Relationship with TRB
(i)	THSB	Malaysia	Investment holding	A Major Shareholder of TRB with shareholding of 45.54%
(ii)	Texcorp	Malaysia	Investment holding, provision of management services for TRB Group and rental of investment properties	<ul style="list-style-type: none"> • A 73.94% owned subsidiary of TRB • THSB, a Major Shareholder of TRB, owns 21.15% equity interest in Texcorp
(iii)	Texcorp Group	Malaysia	Investment holding; provision of management services for TRB Group; rental of investment properties; and insurance agents and managers in relation to insurance schemes	Texcorp Group is related to TRB via Texcorp

2.3 Classes of Related Parties (Cont'd)

- (b) The Proposed Renewal of Shareholders' Mandate will apply to the following classes of Related Parties:
- (i) Director;
 - (ii) Major Shareholder; and
 - (iii) Person connected to Director and/or Major Shareholder,

with their details as follows:

Tan Sri Dato' Seri (Dr.) Fumihiko Konishi is a Director and a shareholder of TRB and a Director of certain companies within TRB Group. Tan Sri Dato' Seri (Dr.) Fumihiko Konishi is also deemed to be a Major Shareholder of TRB by virtue of his direct and/or indirect interest in THSB (a Major Shareholder of TRB) and via persons connected with him, i.e. his wife, Puan Sri Datin Seri Atsuko Konishi (a shareholder of THSB and TRB) and his children, Mika Konishi, Mari Konishi and Dr. Yuma Konishi pursuant to Sections 8 and 59(11)(c) of the Act respectively.

Dr. Yuma Konishi is a Director and a shareholder of TRB and a Director of certain companies within TRB Group. Dr. Yuma Konishi is the son of Tan Sri Dato' Seri (Dr.) Fumihiko Konishi and Puan Sri Datin Seri Atsuko Konishi and brother of Mika Konishi and Mari Konishi. Hence, Dr. Yuma Konishi is a person connected with Tan Sri Dato' Seri (Dr.) Fumihiko Konishi, Puan Sri Datin Seri Atsuko Konishi, Mika Konishi and Mari Konishi.

The abovesaid persons are all deemed interested in the Proposed Renewal of Shareholders' Mandate.

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2.4(a) Proposed Renewal of Recurrent Related Party Transactions

The Recurrent Related Party Transactions which will be covered by the Proposed Renewal of Shareholders' Mandate are the general transactions by TRB Group relating to the provision to, or the obtaining from, the Related Parties products and services in the ordinary course of business of TRB Group.

The details of the Recurrent Related Party Transactions for which the Proposed Renewal of Shareholders' Mandate is sought (of which the estimated value of transactions may vary and is subject to change) are as follows:-

No.	Nature of transaction(s) undertaken by/ provided to TRB Group	Class(es) of Related Party(ies)	Company(ies) in TRB Group transacting in each transaction	Interested Director(s), Major Shareholder(s) and/or person(s) connected with them	The estimated value of transaction(s) during the Validity Period of the Proposed Renewal of Shareholders' Mandate (RM'000)	Estimated value of transaction(s) as disclosed in the Preceding Year's Circular (RM'000)	Actual value of transaction(s) under the Existing Shareholders' Mandate up to the LPD (RM'000)	Reasons for the deviation where the actual value exceeds the estimated value by 10% or more
(i)	Rental expense being rental of office ² and ³ and warehouse ⁴	Texcorp (payee)	TRB Group (payors)	Tan Sri Dato' Seri (Dr.) Fumihiko Konishi, Puan Sri Datin Seri Atsuko Konishi, Mika Konishi, Mari Konishi, Dr. Yuma Konishi and THSB	2,930	2,700	2,506	N/A
(ii)	Rental expense being rental of public relation facilities ⁵ namely the rental of venue for holding/ conducting events of TRB Group	THSB (payee)	TRB Group (payors)	Tan Sri Dato' Seri (Dr.) Fumihiko Konishi, Puan Sri Datin Seri Atsuko Konishi, Mika Konishi, Mari Konishi, Dr. Yuma Konishi and THSB	960	960	960	N/A
(iii)	Provision of services for IT facilities; and insurance. Provision of management services i.e. accounting, financial, human resources, IT, public affairs, investor relations, legal and secretarial services	Texcorp Group (providers ¹)	TRB Group (recipients ¹)	Tan Sri Dato' Seri (Dr.) Fumihiko Konishi, Puan Sri Datin Seri Atsuko Konishi, Mika Konishi, Mari Konishi, Dr. Yuma Konishi and THSB	17,000	17,000	13,713	N/A

2.4(a) Proposed Renewal of Recurrent Related Party Transactions (Cont'd)

No.	Nature of transaction(s) undertaken by/ provided to TRB Group	Class(es) of Related Party(ies)	Company(ies) in TRB Group transacting in each transaction	Interested Director(s), Major Shareholder(s) and/or person(s) connected with them	The estimated value of transaction(s) during the Validity Period of the Proposed Renewal of Shareholders' Mandate (RM'000)	Estimated value of transaction(s) as disclosed in the Preceding Year's Circular (RM'000)	Actual value of transaction(s) under the Existing Shareholders' Mandate up to the LPD (RM'000)	Reasons for the deviation where the actual value exceeds the estimated value by 10% or more
(iv)	Royalty payable for the use of the trade marks:- <ul style="list-style-type: none"> as the trade name to operate restaurants for the provision of Japanese food etc; and for products used or produced in relation to business activities 	Texcorp (payee)	TRB Group (payors)	Tan Sri Dato' Seri (Dr.) Fumihiko Konishi, Puan Sri Datin Seri Aisuko Konishi, Mika Konishi, Mari Konishi, Dr. Yuma Konishi and THSB	3,831	4,635	3,254	N/A
Total					24,721	25,295	20,433	

Notes:

N/A Not applicable.

- Classified as provider and recipient in terms of provider of services and recipient of services.
- Tenancy for the office space in Wisma Texchem, Lots 808 & 809, Jalan Subang 5, Taman Perindustrian Subang, 47610 Subang Jaya, Selangor Darul Ehsan measuring 96.00 sq. ft. at RM336.00 per month from 1 January 2024 to 31 December 2024; 6,398.24 sq. ft. at RM22,393.84 per month from 1 January 2024 to 31 December 2024; 8,900.00 sq. ft. at RM31,150.00 per month from 1 January 2024 to 31 December 2024; 778.00 sq. ft. at RM2,723.00 per month from 1 January 2024 to 31 December 2024; 623 sq. ft. at RM2,180.50 per month from 1 January 2024 to 31 December 2024 and 7,695 sq. ft. at RM26,932.50 per month from 1 January 2024 to 31 December 2024. The rental payments for office space in Wisma Texchem are paid on a monthly basis.
- Tenancy for office space on Level 18, Menara Boustead Penang, 39 Jalan Sultan Ahmad Shah, 10050 Penang measuring 7,670.22 sq. ft. at RM23,010.65 per month from 1 January 2024 to 31 December 2024.
- Tenancy for the warehouse space in Wisma Texchem, Lots 808 & 809, Jalan Subang 5, Taman Perindustrian Subang, 47610 Subang Jaya, Selangor Darul Ehsan measuring 13,455.00 sq. ft. at RM20,182.50 per month from 1 January 2024 to 31 December 2024; 4,136.00 sq. ft. at RM6,204.00 per month from 1 January 2024 to 31 December 2024 and 3,684.00 sq. ft. at RM5,526.00 per month from 1 January 2024 to 31 December 2024.
- The public relation facilities are rented out by the Related Party at the rate of RM80,000.00 per month for holding/conducting events of TRB Group on part of Villa Primavera (Ground Floor), 51 Jalan Jesselton, 10450 Penang with land area measuring 139,392.00 sq. ft.

2.4(b) Basis of estimates

The estimated value and/or payments in respect of each transaction referred to above in relation to the Proposed Renewal of Shareholders' Mandate are on a per annum basis based on prevailing prices or costs which are reasonably market-competitive prices and are derived from the sums incurred or received during the year, based on the normal level of transactions entered into by TRB Group. The estimated amounts are further based on the assumptions that current levels of operations will continue and there are no significant changes in other conditions in the industries and countries that TRB Group operates in.

Transactions such as provision of services for IT facilities are on a cost recovery basis, being recovery of part of the costs for sharing or provision of some services or on a negotiated basis where both parties would contract on terms which are mutually acceptable and beneficial.

2.4(c) A statement in relation to amount due and owing to TRB by Related Parties

There is no amount due and owing by the Related Parties to TRB pursuant to the Recurrent Related Party Transactions.

2.5 Rationale for and the benefit to TRB Group for transacting with the Related Parties

(a) Rationale for the Proposed Renewal of Shareholders' Mandate

Obtaining approval for the Proposed Renewal of Shareholders' Mandate would eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when such Recurrent Related Party Transactions with the Related Parties arise, thereby reducing substantially administrative time and expenses in convening such meetings and enhancing the ability to pursue more business opportunities and without compromising the corporate objectives of TRB Group.

The Proposed Renewal of Shareholders' Mandate is intended to facilitate transactions in the ordinary course of business of TRB Group which are transacted from time to time with the Related Parties provided that they are carried out on an arm's length basis and on TRB Group's normal commercial terms that are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of minority Shareholders.

Disclosure will be made in the annual report of TRB of the breakdown of the aggregate value of Recurrent Related Party Transactions conducted pursuant to the Proposed Renewal of Shareholders' Mandate during the current financial year and in the annual reports for the subsequent financial years during which a Shareholder's mandate is in force where:-

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

whichever is the higher based on the following information:

- (A) the type of the Recurrent Related Party Transactions made; and
- (B) the names of Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationship with TRB.

(b) Benefits of the Proposed Renewal of Shareholders' Mandate

The details of benefits to be derived from the Recurrent Related Party Transactions are as follows:-

- (i) The management fee is for the procurement of management services. There are costs savings and group synergy in pooling and sharing of TRB Group's professional

management resources and the availability of professional specialist services on a shared basis.

- (ii) The rental is for the renting of office, factory premises, warehouses and facility usage. One of the premises rented serves as the regional head office and warehousing centre of TRB Group. The centralised location of companies allows for better coordination and communication between the companies. The warehousing centre facilitates prompt and better delivery services. The letting of TRB Group's properties and the sub-letting of rented property(ies) generate income for TRB Group and higher utilisation of its assets.
- (iii) The rental expense of public relations facility usage is the charge for the corporate use of Villa Primavera for TRB Group's corporate events, public relations and business development. Such functions serve to foster closer business relationship and rapport with investors, bankers, business associates, government and statutory bodies, customers and employees and also to enhance TRB Group's corporate image.
- (iv) The provision of services is for the procurement of IT usage and insurance services. The centralised provision of IT mainframe hardware and software services allows for a centralised sharing and sourcing of the latest IT technology, costs savings and standardisation of information processing system to provide seamless information flow within TRB Group.
- (v) The insurance coverage is taken up through an authorised insurance agent and risk manager which can source for more competitive rates and comprehensive cover and provides risk management consultation and advisory services.
- (vi) The royalty payable is for the usage of intellectual property rights, namely the right to use the trade marks as the trade name in relation to the business activities.

2.6 Review methods or procedures for the Proposed Renewal of Shareholders' Mandate

TRB Group has established the following procedures for the Proposed Renewal of Shareholders' Mandate to ensure that the Recurrent Related Party 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 detrimental to the minority Shareholders:-

- (a) A list of Related Parties is circulated within TRB Group and will be updated as and when there are changes.
- (b) All parties have been and/or will be kept notified that all Recurrent Related Party Transactions are required to be undertaken on an arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority Shareholders.
- (c) 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, the transaction price will be determined by TRB based on usual business practices and policies to ensure that the Recurrent Related Party Transactions are not detrimental to TRB and TRB Group.
- (d) The transaction prices, terms and conditions which are market driven are to be determined on an arm's length on a customer/supplier relationship basis at mutually agreed rates after due consideration of benefits to be derived from the transaction, under similar commercial terms for transactions with unrelated third parties, which depend on demand and supply, quality, level of service and other related factors.

- (e) Some transactions may be on a cost recovery basis, being recovery of part of the costs for sharing or provision of some services or on a negotiated basis where both parties would contract on terms which are mutually acceptable and beneficial.
- (f) Records will be maintained by the respective companies to capture all Recurrent Related Party Transactions which are entered into pursuant to the Shareholders' mandate.
- (g) All Recurrent Related Party Transactions will be reviewed by the President/Managing Director/Chief Executive Officer/Chief Operating Officer of the respective companies and/or senior management as delegated.
- (h) The annual internal audit plan shall incorporate a review of all Recurrent Related Party Transactions entered into pursuant to the Shareholders' mandate to ensure that relevant approvals are obtained and the governance procedures and internal controls in respect of such transactions are in place and complied with.
- (i) The Audit Committee shall review annually the summary of the actual Recurrent Related Party Transactions with management to ensure they are within the amounts approved in the Shareholders' mandate and the internal audit reports to ascertain that the guidelines, governance procedures and internal controls to monitor the Recurrent Related Party Transactions have been complied with.
- (j) The Board shall have overall responsibility for the determination of the review procedures with authority to sub-delegate to individuals or committees within TRB Group as they deem appropriate.
- (k) If a member of the Board has an interest in the transaction to be reviewed by the Board, as the case may be, he will abstain from any decision making by the Board in respect of the said transaction.

2.7 Audit Committee's Statements

The Audit Committee has seen and reviewed the procedures for Recurrent Related Party Transactions (as set out in Section 2.6 above) and is of the view that:-

- (a) The abovementioned procedures are sufficient to ensure that the Recurrent Related Party Transactions will be carried out on an arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of minority Shareholders.
- (b) TRB Group has in place adequate procedures and processes to monitor, track and identify the Recurrent Related Party Transactions in a timely and orderly manner and such procedures and process are reviewed by the Audit Committee and/or the management staff on a half yearly basis or whenever the need arises.

2.8 Threshold of Authority

All Recurrent Related Party Transactions within TRB Group are subject to the approval of the head of operations of the respective companies within TRB Group and transactions as mentioned below are further subject to the approval of the Board of TRB:-

- (a) the consideration, value of the assets, capital outlay or costs of the aggregated transactions are equal to or exceeds RM1 million; or
- (b) any one of the percentage ratios of such aggregated transactions is equal to or exceeds 1%, whichever is the higher.

3. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will not have any effect on the total number of issued shares of TRB and the substantial shareholders' shareholding in TRB and is not expected to have any material effect on the gearing, net assets per share and EPS of TRB Group for the financial year ending 31 December 2024.

4. APPROVAL REQUIRED

The Proposed Renewal of Shareholders' Mandate is subject to the approval of the Shareholders at the forthcoming 50th AGM of TRB.

5. INTERESTS OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

As at LPD, the direct and indirect shareholdings of the interested Directors, interested Major Shareholders and persons connected with them in the Proposed Renewal of Shareholders' Mandate are as follows:

Interested Directors	No. of ordinary shares held in TRB			
	Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	525,000	0.45	58,537,494 ^(a)	49.99 ^(a)
Dr. Yuma Konishi ^(b)	120,000	0.10	-	-

Interested Major Shareholders	No. of ordinary shares held in TRB			
	Direct	%	Indirect	%
THSB	53,319,972	45.54	-	-
Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	525,000	0.45	58,537,494 ^(a)	49.99 ^(a)

Persons connected with Tan Sri Dato' Seri (Dr.) Fumihiko Konishi, the interested Director and deemed interested Major Shareholder	No. of ordinary shares held in TRB			
	Direct	%	Indirect	%
Puan Sri Datin Seri Atsuko Konishi	2,234,694	1.91	-	-
Mika Konishi	1,431,414	1.22	-	-
Mari Konishi	1,431,414	1.22	-	-
Dr. Yuma Konishi ^(b)	120,000	0.10	-	-

Notes:

- (a) Deemed interest by virtue of Tan Sri Dato' Seri (Dr.) Fumihiko Konishi's direct and/or indirect interest in THSB (a Major Shareholder of TRB) and via persons connected with him, i.e. his wife, Puan Sri Datin Seri Atsuko Konishi (a shareholder of THSB and TRB) and his children Mika Konishi, Mari Konishi and Dr. Yuma Konishi, pursuant to Sections 8 and 59(11)(c) of the Act respectively.
- (b) Son of Tan Sri Dato' Seri (Dr.) Fumihiko Konishi and Puan Sri Datin Seri Atsuko Konishi, and brother of Mika Konishi and Mari Konishi.

Tan Sri Dato' Seri (Dr.) Fumihiko Konishi and Dr. Yuma Konishi, being the interested Directors of TRB (referred to as the "Interested Directors"), have abstained and will continue to abstain from Board deliberations and voting on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate at the forthcoming 50th AGM of TRB in respect of his direct and/or indirect shareholding in TRB, where applicable.

THSB, the interested Major Shareholder, will abstain from voting in respect of its direct interests on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate at the forthcoming 50th AGM of TRB.

The above Interested Directors and interested Major Shareholder have undertaken that they shall ensure that persons connected with them (Puan Sri Datin Seri Atsuko Konishi, Mika Konishi and Mari Konishi) will abstain from voting in respect of their direct and/or indirect shareholding on the resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming 50th AGM of TRB.

Save as disclosed above, none of the other Directors and/or Major Shareholders of TRB and/or persons connected with them, has any interest, directly and/or indirectly, in the Proposed Renewal of Shareholders' Mandate.

6. DIRECTORS' RECOMMENDATION

The Board (save for Tan Sri Dato' Seri (Dr.) Fumihiko Konishi and Dr. Yuma Konishi, the Interested Directors who have abstained from Board deliberation on the Proposed Renewal of Shareholders' Mandate) having considered all aspects of the Proposed Renewal of Shareholders' Mandate, believes that the terms and conditions for these transactions are fair and reasonable and are in the best interest of TRB.

Accordingly, the Board, save for the Interested Directors, recommend that you vote in favour of the resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 50th AGM of TRB.

7. AGM

The 50th AGM will be conducted on a virtual basis through live streaming from the Broadcast Venue at Boardroom, Level 18, Menara Boustead Penang, 39 Jalan Sultan Ahmad Shah, 10050 George Town, Penang on Monday, 29 April 2024 at 10.30 a.m. for the purpose of considering and, if thought fit, passing among others, the ordinary resolution under the agenda of Special Business as set out in the notice to the Annual Report of TRB for the financial year ended 31 December 2023 so as to give effect to the Proposed Renewal of Shareholders' Mandate. The notice of the 50th AGM together with the Proxy Form, the Administrative Guide, the Annual Report and this Circular can be viewed and downloaded from the Company's website at www.texchemgroup.com or from Bursa Securities's website at www.bursamalaysia.com.

If you are unable to participate and vote at the 50th AGM, you are requested to complete the Proxy Form in accordance with the instructions printed thereon as soon as possible so as to arrive at the Registered Office of TRB, or submit electronically via SS e-Portal at <https://sshsb.net.my/> not less than 48 hours before the time set for the 50th AGM.

8. ADDITIONAL INFORMATION

You are requested to refer to the attached Appendix I contained in this Circular for further information.

Yours faithfully
For and on behalf of the Board of
TEXCHEM RESOURCES BHD

JONY RAW
Independent Non-Executive Director

PART B

**SHARE BUY-BACK STATEMENT
IN RELATION TO THE PROPOSED RENEWAL OF
EXISTING SHARE BUY-BACK AUTHORITY**



TEXCHEM RESOURCES BHD

[Registration No. 197301002868 (16318-K)]
(Incorporated in Malaysia)

Registered Office:-

Level 18, Menara Boustead Penang
39 Jalan Sultan Ahmad Shah
10050 George Town, Penang

29 March 2024

Board of Directors of TRB:

Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	(Executive Chairman)
Yap Kee Keong	(President and Group Chief Executive Officer)
Dr. Yuma Konishi	(Executive Director)
Dato' Azman Bin Mahmud	(Independent Non-Executive Director)
Dr. Zarizana @ Izana Binti Abdul Aziz	(Independent Non-Executive Director)
Jony Raw	(Independent Non-Executive Director)
Azian Binti Mohd Yusof	(Independent Non-Executive Director)

To: The Shareholders of TRB

Dear Sir/Madam

STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

- 1.1 At the 49th AGM of the Company held on 17 May 2023, the Shareholders had given the authority for the Company to purchase up to 10% of the total number of issued shares of the Company. The said approval will expire at the conclusion of the forthcoming 50th AGM of the Company.
- 1.2 The purpose of this Statement is to provide Shareholders with details of the Proposed Renewal of Existing Share Buy-Back Authority and to seek the Shareholders' approval for the ordinary resolution to be tabled at the forthcoming 50th AGM of TRB to be convened on a virtual basis through live streaming from the Broadcast Venue at Boardroom, Level 18, Menara Boustead Penang, 39, Jalan Sultan Ahmad Shah, 10050 George Town, Penang on Monday, 29 April 2024 at 10.30 a.m.

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION RELATING TO THE PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY

2. DETAILS OF THE PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY

- 2.1 The Board proposes to seek the approval of the Shareholders for the renewal of the authority to purchase up to 10% of the total number of issued shares of the Company, subject to the prevailing laws, rules, regulations, guidelines and requirements as may be issued by the relevant authorities.
- 2.2 The authority from the Shareholders, if renewed, will be effective immediately upon the passing of the ordinary resolution to be tabled at the forthcoming 50th AGM of the Company relating to the Proposed Renewal of Existing Share Buy-Back Authority and such authority will continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the forthcoming 50th AGM in which the resolution for the Proposed Renewal of Existing Share Buy-Back Authority is passed, at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or
 - (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the Shareholders in general meeting,
- whichever occurs first.

2.3 For illustration purposes, the maximum number of Shares that may be bought back under the Proposed Renewal of Existing Share Buy-Back Authority based on the existing total number of issued shares and the number of Treasury Shares held as at LPD are as follows:

	No. of Shares
Total number of issued shares	126,372,735
10% thereof	12,637,273
Less: Shares purchased and held as Treasury Shares	(9,281,800)
Maximum number of Shares that may be further bought back	<u>3,355,473</u>

2.4 The Company also has an ESOS of which any exercise of vested options by the Eligible Persons will increase the total number of issued shares of the Company. As at LPD, the Company has Outstanding Options which are capable of exercise up to 26 April 2027. Should the number of issued Shares increase due to the exercise of Outstanding Options, the maximum aggregate number of Shares that can be purchased by the Company is up to ten percent (10%) of the enlarged total number of issued Shares at the time of purchase less any Shares purchased and retained as Treasury Shares.

2.5 The Shares to be purchased on Bursa Securities pursuant to the Proposed Renewal of Existing Share Buy-Back Authority shall be at a price which is not more than 15% above the weighted average market price for the Shares for the 5 market days immediately prior to the date of the purchase. The Company may only resell the Purchased Shares held as Treasury Shares on Bursa Securities or transfer the Treasury Shares pursuant to Section 127(7) of the Act at:

- (a) a price which is not less than the weighted average market price for the Shares for the 5 market days immediately prior to the resale or transfer; or
- (b) a discounted price of not more than 5% to the weighted average market price for the Shares for the 5 market days immediately prior to the resale or transfer provided that:
 - (i) the resale or transfer takes place not earlier than 30 days from the date of purchase; and
 - (ii) the resale or transfer price is not less than the cost of purchase of the Purchased Shares being resold or transferred.

3. PURCHASE, RESALE AND CANCELLATION OF TREASURY SHARES MADE IN THE PRECEDING 12 MONTHS

As at the LPD, the Company holds 9,281,800 Shares as Treasury Shares. The Company did not make any purchase of its own shares in the past 12 months preceding the date of this Statement. All Shares bought back by the Company may be cancelled upon purchase or retained as Treasury Shares of the Company or a combination of both. In the event that the Shares to be bought back by the Company are retained as Treasury Shares, the Company may distribute the Treasury Shares as dividends to the Shareholders, cancel or resell the Treasury Shares on Bursa Securities or transfer for the purpose of or under an employees' share scheme. The Company has not resold, cancelled and/or distributed any Treasury Shares as dividends in the past 12 months preceding the date of this Statement. The decision of the Board on the above options will be made at an appropriate time. Appropriate announcement will be made to Bursa Securities and the relevant authorities in respect of the Board's decision on the treatment of the Purchased Shares in compliance with the Listing Requirements and the Act.

4. RATIONALE FOR THE PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Existing Share Buy-Back Authority is expected to enhance the EPS and return on equity in the event of the cancellation of the Shares bought back by the Company which will benefit the Shareholders.

The Purchased Shares can also be held as Treasury Shares and resold on the market of Bursa Securities at a higher price with the intention of realising a potential gain without affecting the total number of issued share capital of the Company.

In the event the Treasury Shares are distributed as share dividends to Shareholders, this would serve as a reward to the Shareholders.

5. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

5.1 Potential Advantages:

- (a) The Proposed Renewal of Existing Share Buy-Back Authority, if implemented, is expected to stabilize the supply and demand of the Shares traded on Bursa Securities and thereby support its fundamental value.
- (b) The financial resources of the TRB Group may increase if the Purchased Shares held as Treasury Shares are resold on the market of Bursa Securities at prices higher than the purchase price.

5.2 Potential Disadvantages

The Proposed Renewal of Existing Share Buy-Back Authority, if exercised, will reduce:

- (a) the financial resources of TRB Group. This may result in TRB Group having to forgo other investment opportunities that may emerge in the future or deprive the Company of interest income that may be earned from deposits with licensed financial institutions.
- (b) the amount of reserves available for distribution in the form of cash dividends and/or bonus issue(s) to the Shareholders as funds are utilised to purchase its own Shares.

Therefore, the Proposed Share Buy-Back will be undertaken only after due consideration of the financial resources of TRB Group. The Board will be mindful of the interests of the Company and the Shareholders when exercising the Proposed Renewal of Existing Share Buy-Back Authority.

6. FUNDING FOR THE PROPOSED SHARE BUY-BACK

The actual number of Shares to be purchased, the total amount of funds to be utilized for each purchase and the timing of any purchase will depend on, *inter-alia*, the market conditions and sentiments of the stock market, the availability of financial resources and the retained profits of the Company. Pursuant to the Listing Requirements, the maximum funds to be used for the Proposed Share Buy-Back shall not exceed the retained profits of the Company. Based on the audited financial statements of the Company for the financial year ended 31 December 2023, the maximum fund available is set out below:

	Audited as at 31 December 2023
	RM'000
Retained profits	261,877

The Proposed Share Buy-Back will be funded from internally generated funds and/or bank borrowings, the proportion of which will depend on the quantum of purchase consideration as well as the availability of internally generated funds and borrowings and repayment capabilities of the Company at the time of purchase.

In the event that the Proposed Share Buy-Back is to be partly financed by bank borrowings, this is not expected to affect the Company's repayment capabilities. Although the cash flow of TRB Group will be reduced to the extent of the number of Shares bought and the purchase consideration, the Company does not foresee any difficulty and the Proposed Share Buy-Back is not expected to have a negative impact on the financial results of TRB Group.

The Board is mindful of the interest of the Company and its Shareholders and will be prudent with respect to any exercise of the Proposed Share Buy-Back. In any event, the Board will ensure that the Company satisfies the solvency test in accordance with Section 112(2) of the Act before executing the Proposed Renewal of Existing Share Buy-Back Authority.

7. EFFECTS OF THE PROPOSED SHARE BUY-BACK

7.1 Total Number of Issued Shares

The Proposed Renewal of Existing Share Buy-Back Authority will have no effect on the total number of issued shares of the Company if the Shares to be bought back by the Company are retained as Treasury Shares and/or distributed to the Shareholders as dividends. However, these Treasury Shares shall not be entitled to any of the rights attached to the existing Shares of the Company as to voting, dividends and participation in other distribution.

As at LPD, the Company holds 9,281,800 Treasury Shares.

For illustration purposes and assuming 10% of the total number of issued shares of the Company as at LPD are purchased and cancelled entirely, the Proposed Renewal of Existing Share Buy Back Authority will have the following effects on the total number of issued shares of the Company:

	As at LPD and assuming no exercise of Outstanding <u>Options</u>	As at LPD and assuming full exercise of Outstanding <u>Options</u>
Total number of issued share capital	126,372,735	126,372,735
Add: Assuming full exercise of the Outstanding Options	-	7,932,500
Enlarged total number of issued shares after the exercise of Outstanding Options	126,372,735	134,305,235
Less: Assuming Treasury Shares which are cancelled	(9,281,800)	(9,281,800)
Existing no. of Shares with voting rights	117,090,935	125,023,435
Less: Assuming cancellation of Shares bought back under Proposed Renewal of Existing Share Buy-Back Authority	(3,355,473)	(4,148,723)
Share capital after cancellation of Shares bought back	113,735,462	120,874,712

However, the Proposed Renewal of Existing Share Buy-Back Authority is not expected to have any effect on the total number of issued shares of the Company if all the Purchased Shares are retained as Treasury Shares.

7.2 Net Assets

If the Purchased Shares are retained as treasury shares, the consolidated NA would decrease by the purchase cost of the Treasury Shares as the Treasury Shares are required to be carried at cost and be offset against equity. If the Treasury Shares are subsequently cancelled or distributed as share dividends, there will be no additional effects on the consolidated NA.

The consolidated NA per share will be reduced if the purchase price of the Purchased Shares exceeds the consolidated NA per share, and vice versa.

If the Treasury Shares are resold on Bursa Securities, it will increase the consolidated NA per share if we realise a gain from such resale, and vice versa.

7.3 Working Capital

The Proposed Renewal of Existing Share Buy-Back Authority could reduce the working capital and cash flow of TRB Group, the quantum of which depends on the purchase price of the Shares, the number of Purchased Shares and any associated costs incurred in making the purchase. However, if the Purchased Shares treated as Treasury Shares are subsequently resold on Bursa Securities, the working capital of TRB Group will increase if the Company realises a gain from the resale.

7.4 Earnings and EPS

The effects of the Proposed Renewal of Share Buy-Back Authority on the earnings of TRB Group would depend on the purchase price, number of Purchased Shares, the effective funding cost to TRB Group to finance such purchase and/or any loss on interest income to TRB Group. The effective reduction in the number of Shares applied in the computation of the consolidated EPS pursuant to the Proposed Renewal of Share Buy-Back Authority may generally, all else being equal, have a positive impact on the consolidated EPS of the Company for the financial year ending 31 December 2024.

7.5 Dividends

The Proposed Renewal of Existing Share Buy-Back Authority will have the effect of increasing the effective dividend rate per Share of the Company as dividends will be paid on the remaining total number of issued shares of the Company (excluding the Treasury Shares). The Proposed Renewal of Existing Share Buy-Back Authority may have an impact on the Company's dividend rate for the financial year ending 31 December 2024 as it would reduce the cash available which may otherwise be used for dividend payments. Nonetheless, the Treasury Shares purchased may be distributed as dividends to Shareholders, if the Company so decides.

7.6 Directors and Substantial Shareholders' Shareholdings

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders' Shareholdings as at LPD and assuming that the Proposed Renewal of Existing Share Buy-Back Authority is implemented in full (up to 10% of the total number of issued shares of the Company), the effects are as follows:

As at LPD and assuming no exercise of Outstanding Options

Directors	As at LPD ^(a)				After Proposed Share Buy-Back ^(b)			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	525,000	0.45	58,537,494 ^(c)	49.99 ^(c)	525,000	0.46	58,537,494 ^(c)	51.47 ^(c)
Yap Kee Keong	908,250	0.78	-	-	908,250	0.80	-	-
Dr. Yuma Konishi	120,000	0.10	-	-	120,000	0.11	-	-

Substantial Shareholders	As at LPD ^(a)				After Proposed Share Buy-Back ^(b)			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
THSB	53,319,972	45.54	-	-	53,319,972	46.88	-	-
Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	525,000	0.45	58,537,494 ^(c)	49.99 ^(c)	525,000	0.46	58,537,494 ^(c)	51.47 ^(c)

Notes:

- (a) Calculated based on 117,090,935 Shares as at the LPD
- (b) Calculated based on 113,735,462 Shares assuming the Proposed Renewal of Existing Share Buy-Back Authority is undertaken in full and a maximum of 3,355,473 Shares are purchased from the open market
- (c) Deemed interest by virtue of Tan Sri Dato' Seri (Dr.) Fumihiko Konishi's direct and/or indirect interest in THSB (a Substantial Shareholder of TRB) and via persons connected with him, i.e. his wife, Puan Sri Datin Seri Atsuko Konishi (a shareholder of THSB and TRB) and his children, Ms Mika Konishi, Ms Mari Konishi and Dr. Yuma Konishi pursuant to Sections 8 and 59(11)(c) of the Act respectively

As at LPD and assuming full exercise of Outstanding Options

Directors	As at LPD ^(a)				After Proposed Share Buy-Back ^(b)			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	525,000	0.42	58,537,494 ^(c)	46.82 ^(c)	525,000	0.43	58,537,494 ^(c)	48.43 ^(c)
Yap Kee Keong	908,250	0.73	-	-	908,250	0.75	-	-
Dr. Yuma Konishi	120,000	0.10	-	-	120,000	0.10	-	-

Substantial Shareholders	As at LPD ^(a)				After Proposed Share Buy-Back ^(b)			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
THSB	53,319,972	42.65	-	-	53,319,972	44.11	-	-
Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	525,000	0.42	58,537,494 ^(c)	46.82 ^(c)	525,000	0.43	58,537,494 ^(c)	48.43 ^(c)

Notes:

- (a) Calculated based on 125,023,435 Shares as at the LPD

- (b) Calculated based on 120,874,712 Shares assuming the Proposed Renewal of Existing Share Buy-Back Authority is undertaken in full and a maximum of 4,148,723 Shares are purchased from the open market
- (c) Deemed interest by virtue of Tan Sri Dato' Seri (Dr.) Fumihiko Konishi's direct and/or indirect interest in THSB (a Substantial Shareholder of TRB) and via persons connected with him, i.e. his wife, Puan Sri Datin Seri Atsuko Konishi (a shareholder of THSB and TRB) and his children, Ms Mika Konishi, Ms Mari Konishi and Dr. Yuma Konishi pursuant to Sections 8 and 59(11)(c) of the Act respectively.

8. PUBLIC SHAREHOLDING SPREAD

The Board will ensure that the public shareholding spread of the Company shall not fall below 25% of the total number of issued shares of the Company at the time of purchase. As at LPD, the public shareholding spread of the Company was 48.19%.

9. HISTORICAL SHARE PRICES

The monthly high and low prices at which the Shares were traded on Bursa Securities for the preceding 12 months from the LPD are as follows:

	High	Low
<u>2023</u>	<u>(RM)</u>	<u>(RM)</u>
March	1.870	1.510
April	1.690	1.590
May	1.600	0.965
June	1.220	0.970
July	1.250	1.010
August	1.070	0.955
September	0.965	0.845
October	0.855	0.795
November	1.050	0.820
December	0.960	0.900

	High	Low
<u>2024</u>	<u>(RM)</u>	<u>(RM)</u>
January	1.100	0.910
February	1.000	0.890

The last transacted price of the Shares on the LPD was RM0.870.

Source: <https://www.malaysiastock.biz/Stock-Chart.aspx?securitycode=8702&mode=1M>

10. IMPLICATIONS OF THE CODE

Pursuant to the Code, a person and any person acting in concert with him will be required to make a mandatory offer for the remaining Shares of the Company not already owned by him/them if his/their stake in the Company is increased to beyond 33% of its total number of issued shares or if his/their shareholding is between 33% and 50% and increases by more than 2% in any subsequent six (6) months period.

The Company does not intend to undertake the Proposed Renewal of Existing Share Buy-Back Authority such that it will trigger any obligation to undertake a mandatory offer pursuant to the Code. In the event that the Proposed Renewal of Existing Share Buy-Back Authority results in the shareholding of any of the above parties being affected, the affected person will be obliged to undertake a mandatory offer for the remaining Shares of the Company not already owned by him/them collectively. However, the affected person may make the necessary application to the Securities Commission Malaysia for a waiver to undertake a mandatory offer pursuant to the Code.

The Board is mindful of the requirements of the Code and will continue to be mindful of the requirements when making any purchase pursuant to the Proposed Renewal of Existing Share Buy-Back Authority.

11. APPROVAL REQUIRED

The Proposed Renewal of Existing Share Buy-Back Authority is subject to the approval of the Shareholders at the forthcoming 50th AGM.

12. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save for the proportionate increase in the percentage of shareholdings including, amongst others, the voting rights of the shareholders of the Company as a result of the Proposed Renewal of Existing Share Buy-Back Authority, none of the Directors and/or Major Shareholders of the Company and/or persons connected with them has any interest, direct or indirect, in the Proposed Renewal of Existing Share Buy-Back Authority or resale of Treasury Shares, if any.

13. DIRECTORS' RECOMMENDATION

The Board after having considered all aspects of the Proposed Renewal of Existing Share Buy-Back Authority is of the opinion that the Proposed Renewal of Existing Share Buy-Back Authority is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Existing Share Buy-Back Authority at the forthcoming 50th AGM.

Yours faithfully
For and on behalf of the Board of
TEXCHEM RESOURCES BHD

JONY RAW
Independent Non-Executive Director

ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY

This Circular has been seen and approved by the Board of TRB and they collectively and individually accept full responsibility for the accuracy of the information given 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 or incorrect.

2. MATERIAL CONTRACTS

TRB and its subsidiaries have not entered into any material contract (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular.

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at LPD, neither TRB nor any of its subsidiaries are involved in any material litigation, claim or arbitration, including pending or threatened.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by the Shareholders at the Registered Office of TRB at Level 18, Menara Boustead Penang, 39 Jalan Sultan Ahmad Shah, 10050 George Town, Penang during normal office hours from Monday to Friday (except for public holidays) from the date of this Circular up to and including the date of the 50th AGM:

- (i) The Constitution of TRB; and
- (ii) Audited consolidated financial statements of TRB for the past two (2) financial years ended 31 December 2022 and 31 December 2023.