

**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 ADVISER IMMEDIATELY.**

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**ORIENTAL HOLDINGS BERHAD**

Registration No. 196301000446 (5286-U)  
(Incorporated in Malaysia)

**CIRCULAR TO STOCKHOLDERS**

**in relation to**

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

The above proposal will be tabled as Special Business at Oriental Holdings Berhad's 58<sup>th</sup> Annual General Meeting. Notice convening the 58<sup>th</sup> Annual General Meeting of the Company to be held virtually at 2:30 p.m. on 15 July 2020 from the Broadcast Venue at Sri Mas Ballroom, Level 4, Bayview Hotel Georgetown Penang, 25A Farquhar Street, 10200 Penang is set out in the Annual Report.

Form of Proxy is set out in the Annual Report of Oriental Holdings Berhad for the year ended 31 December 2019. You are urged to complete and deposit the Form of Proxy at the Registered Office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Penang or via Vote2U Online at <https://web.vote2u.app> not less than 48 hours before the time of the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

This Circular is dated 23 June 2020

## DEFINITIONS

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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
“AAP”	: Armstrong Auto Parts Sdn. Berhad
“AC” or “Audit Committee”	: Audit Committee of OHB
“AGM”	: Annual General Meeting
“AI”	: Armstrong Industries Sdn. Bhd.
“Bayview”	: Bayview International Sdn. Bhd.
“Bayview Hotel”	: Bayview Hotel Sdn. Bhd.
“Board” or “Board of Directors”	: The Board of Directors of OHB
“BSCB”	: Boon Siew Credit Berhad
“BSD”	: Boon Siew Development Sdn. Bhd.
“BSH”	: Boon Siew Honda Sdn. Bhd.
“BSSB”	: Boon Siew Sdn. Bhd.
“BSSB Group”	: Boon Siew Sdn. Bhd. and its subsidiary/associated companies
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“CD”	: Chainferry Development Sdn. Berhad
“CMSA”	: Capital Markets and Services Act 2007
“CV Belly”	: CV Belly Brothers Corporation
“Director(s)”	: Shall have the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Director of OHB (or any other company which is its subsidiary or holding company) or a Chief Executive Officer of OHB, its subsidiaries or holding company
“DF”	: Dragon Frontier Sdn. Bhd.
“HICOM”	: Hicom-Teck See Manufacturing Sdn. Bhd.
“KTSC”	: Kasai Teck See Co., Ltd.
“Kasai Kogyo”	: Kasai Kogyo Co., Ltd.
“KTSM”	: Kasai Teck See (Malaysia) Sdn. Bhd.

## DEFINITIONS (cont'd)

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“KM”	: Kah Motor Company Sdn. Berhad
“LME”	: Lipro Mold Engineering Sdn. Bhd.
“Major Shareholder”	: A person who has an interest or interests in one or more voting shares in the corporation and the number, or aggregate number of those shares is:-  (a) 10% or more of the total number of voting shares in the corporation; or (b) 5% or more of the aggregate total number of the voting shares in the corporation where such person is the largest shareholder of the corporation.  For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act. A major shareholder 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 major shareholder of the Company or any other company which is its subsidiary or holding company
“MMLR”	: Main Market Listing Requirements of Bursa Securities including any amendments to the Listing Requirements that may be made from time to time
“MSMC”	: Melaka Straits Medical Centre Sdn. Bhd.
“NILAM”	: Nilam Healthcare Education Centre Sdn. Bhd.
“NMET”	: North Malaya Engineers Trading Company Sdn. Berhad
“Nuwata”	: Nuwata Sdn. Bhd.
“OHB” or “the Company”	: Oriental Holdings Berhad
“OHB Group” or “the Group”	: OHB and its subsidiaries
“OHB Stocks” or “Stocks”	: Issued Stocks in the Company
“OAM”	: Oriental Asia (Mauritius) Pte. Ltd.
“ONDE”	: Oriental Nichinan Design Engineering Sdn. Bhd.
“OR”	: Oriental Realty Sdn. Berhad
“ORPO”	: Oriental Rubber & Palm Oil Sdn. Berhad
“Ordinary Resolution”	: The Ordinary Resolution pertaining to the Proposal

## DEFINITIONS (cont'd)

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- “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 (spouse; parent; child including an adopted child and step-child; brother or sister; spouse of child, brother, sister) 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.
- “Proposal” or “Proposed Mandate” : Proposed new and renewal of stockholders’ mandate for OHB Group to enter into Recurrent Related Parties Transactions
- “PT BSSP” : PT Bumi Sawit Sukses Pratama
- “PT DAPO” : PT Dapo Agro Makmur
- “PT GML” : PT Gunung Maras Lestari
- “PT GPL” : PT Gunung Pelawan Lestari
- “PT GSBL” : PT Gunungsawit Binalestari
- “PT GSSL” : PT Gunung Sawit Selatan Lestari
- “PT Kasai” : PT Kasai Teck See Indonesia
- “PT MKCS” : PT Multi Karya Cipta Selaras
- “PT PPA” : PT Pratama Palm Abadi
- “PT SAP” : PT Surya Agro Persada
- “PT SSL” : PT Sumatera Sawit Lestari

## DEFINITIONS (cont'd)

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“Related Party”	: A director, major stockholder/shareholder or a person connected with such a director or a major stockholder/shareholder
“Related Party Transaction”	: A transaction entered into by OHB or any of its subsidiaries which involves the interest, direct or indirect, of a Related Party
“Recurrent Related Party Transactions or RRPT”	: Transactions with Related Parties involving recurrent transactions of a revenue or trading nature which are necessary for the OHB Group’s day-to-day operations and are in the ordinary course of business of the OHB Group
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“SOC”	: Syarikat Oriental Credit Berhad
“SU”	: Simen Utara Sdn. Bhd.
“SLP”	: Star Life Pharma Sdn. Bhd.
“SOAM”	: Selasih OAM Sdn. Bhd.
“TSB”	: Taman Sri Bunga Sdn. Bhd.
“TSS”	: Taman Sri Setia Sdn. Bhd.
“U Mix”	: Unique Mix Sdn. Bhd.
“U Mix (Pg)”	: Unique Mix (Penang) Sdn. Bhd.
“U Pave”	: Unique Pave Sdn. Bhd.

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**ORIENTAL HOLDINGS BERHAD**  
Registration No. 196301000446 (5286-U)  
(Incorporated in Malaysia)

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

23 June 2020

**Board of Directors:**

Datuk Loh Kian Chong, Executive Chairman  
Dato' Robert Wong Lum Kong, DSSA, JP, Group Managing Director  
Dato' Seri Lim Su Tong @ Lim Chee Tong, Group Managing Director  
Ms Tan Kheng Hwee, Executive Director  
Dato' Sri Datuk Wira Tan Hui Jing, Executive Director  
Dato' Ghazi Bin Ishak, Senior Independent Non-Executive Director  
Ms Mary Geraldine Phipps, Independent Non-Executive Director  
Mr Lee Kean Teong, Independent Non-Executive Director  
Puan Sharifah Intan Binti S. M. Aidid, Non-Independent Non-Executive Director  
Mr Yoshitaka Nakamura, Non-Independent Non-Executive Director  
Datin Loh Ean, Alternate Director to Dato' Robert Wong Lum Kong

To: The Stockholders of Oriental Holdings Berhad

Dear Sir/Madam

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

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**1. INTRODUCTION**

At the AGM of the Company held on 12 June 2019, stockholders had approved a mandate for the Company/or its subsidiaries to enter into arrangements or recurrent transactions with related parties which are necessary for OHB Group's day-to-day operations, in the ordinary course of business, and on terms not more favourable to the related party than those generally available to the public.

Accordingly, the Company had, on 21 May 2020, announced that the Directors proposed to seek new authorisation from stockholders for a renewal of the Proposed Mandate.

The purpose of this Circular is to provide you with the details pertaining to the Proposed Mandate and to seek your approval for the related resolutions which will be tabled at the forthcoming AGM.

**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 MANDATE TO BE TABLED AT THE FORTHCOMING AGM.**

**2. DETAILS OF THE PROPOSED MANDATE**

**2.1 Provision under the MMLR**

Paragraph 10.09(2) of the MMLR provides that a listed issuer may seek a stockholders' mandate in respect of recurrent transactions with related parties which are of a revenue or trading nature and are necessary for its day-to-day operations subject to the following:-

## 2.1 Provision under the MMLR (cont'd)

- (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 stockholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the stockholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under subparagraph 10.09(1);
- (c) the Company's circular to stockholders for the stockholders' mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain the stockholders' mandate, the interested directors, interested major stockholders or interested person connected with a director or major stockholder; and where it involves the interest of a person connected with a director or major stockholder, such director or major stockholder, must not vote on the resolution approving the transactions. An interested director or interested major stockholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of RRPT entered by the listed issuer, exceeds the estimated value of the recurrent related party transactions 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 Classes of Related Parties

Recurrent Related Party Transactions ("RRPT") in OHB can be categorised under eight groups of related party.

### 2.2.1 TABLE A – Boon Siew Sdn Bhd ("BSSB") Group and their interests

The related party, BSSB Group is interested by virtue of it being the major stockholder of OHB and the collective management control exercised by Datuk Loh Kian Chong, Dato' Robert Wong Lum Kong, DSSA, JP, Dato' Seri Lim Su Tong, Ms Tan Kheng Hwee and Dato' Sri Datuk Wira Tan Hui Jing who are also Directors of OHB. Their shareholdings and persons connected' shareholdings in BSSB are as follows:

Interested Party – Directors	Direct and Indirect Shareholdings as at 5 June 2020			
	Direct	%	Indirect	%
Datuk Loh Kian Chong	-	-	22,786,740 <sup>(1)</sup>	38.0
Dato' Robert Wong Lum Kong, DSSA, JP	-	-	6,600,000 <sup>(2)</sup>	11.0
Dato' Seri Lim Su Tong	-	-	6,600,000 <sup>(3)</sup>	11.0
Datin Loh Ean	-	-	6,600,000 <sup>(4)</sup>	11.0
Tan Kheng Hwee	-	-	6,600,000 <sup>(5)</sup>	11.0
Dato' Sri Datuk Wira Tan Hui Jing	-	-	6,600,000 <sup>(6)</sup>	11.0
Dr Tan Hui Ling	-	-	6,600,000 <sup>(7)</sup>	11.0
Dato' Lim Kean Seng	-	-	6,600,000 <sup>(8)</sup>	11.0
Lim Ee Ling	-	-	6,600,000 <sup>(9)</sup>	11.0
Lim Ee Hean	-	-	6,600,000 <sup>(10)</sup>	11.0
Tan Hui Ming	-	-	6,600,000 <sup>(11)</sup>	11.0
Dato' Seri Loh Cheng Yeap	-	-	6,600,000 <sup>(12)</sup>	11.0



## 2.2.1 TABLE A – Boon Siew Sdn Bhd (“BSSB”) Group and their interests (cont’d)

### Notes:

- (1) *The indirect shareholdings are held by Datuk Loh Kian Chong via Boontong Estates Sdn Bhd, Bayview Hotel Sdn Bhd and Loh Kar Bee Holdings Sdn Bhd. He is deemed interested as he has indirect interests of 92.6%, 65.3% and direct interest of 61% in this company. He is a director of BSSB, BSD, Bayview Hotel, Bayview, ORPO, OAM, OR, SLP, BSCB, MSMC, Nuwata, NMET, PT GSSL, PT DAPO, PT PPA, PT SSL, PT SAP and PT BSSP.*
- (2) *The indirect shareholdings are held via Loh Ean Holdings Sdn Bhd, a company owned by the family members of Dato’ Robert Wong Lum Kong, DSSA, JP in which Dato’ Robert Wong Lum Kong, DSSA, JP is also a director. He is also a director of BSSB, Bayview, ORPO, KM, NMET, OR, OAM and SOC. He is also alternate director of MSMC.*
- (3) *The indirect shareholdings are held via Loh Phoy Yen Holdings Sdn Bhd, a company owned by the family members of Dato’ Seri Lim Su Tong in which Dato’ Seri Lim Su Tong is also a director. He is also a director of BSSB, CD, KM, PT GML, PT GSBL, BSCB, PT GSSL, PT DAPO, PT PPA, PT SSL, PT SAP and PT BSSP.*
- (4) *The indirect shareholdings are held by Datin Loh Ean, the spouse of Dato’ Robert Wong Lum Kong, DSSA, JP via Loh Ean Holdings Sdn. Bhd., a company owned by the family members in which she is also a director. She is a director of CD, MSMC, PT GSBL, PT GSSL, PT DAPO, PT PPA, PT GML, PT SSL, PT SAP and PT BSSP. She is also alternate director of BSSB, Bayview, ORPO, KM, OR, SOC and NMET.*
- (5) *The indirect shareholdings are held by Ms Tan Kheng Hwee via Loh Cheng Yean Holdings Sdn Bhd. She is deemed interested via her interests of 25% in Loh Cheng Yean Holdings Sdn Bhd. She is an alternate director in BSSB, KM and Bayview Hotel. She is the director of BSD, OR, BSCB, Bayview, SOC and NMET.*
- (6) *The indirect shareholdings is held by Dato’ Sri Datuk Wira Tan Hui Jing via Loh Gim Ean Holdings Sdn. Bhd. He is deemed interested via his interest of 21.8% in Loh Gim Ean Holdings Sdn. Bhd. He is a director of CD, Bayview Hotel, NILAM, Bayview, ORPO, MSMC and OAM. He is an alternate director in BSSB, NMET and KM.*
- (7) *The indirect shareholdings is held by Dr Tan Hui Ling via Loh Gim Ean Holdings Sdn. Bhd. She is deemed interested via her interest of 18.8% in Loh Gim Ean Holdings Sdn. Bhd. She is a director of MSMC, SLP and NILAM.*
- (8) *The indirect shareholdings are held by Dato’ Lim Kean Seng, the son of Dato’ Seri Lim Su Tong, via Loh Phoy Yen Holdings Sdn Bhd. He is deemed interested via his interests of 50% in Loh Phoy Yen Holdings Sdn Bhd. He is an alternate director of TSS, BSSB, U Mix (Pg) and KM and a director of BSD, Bayview Hotel, Bayview, ORPO, Nuwata, TSB and OAM.*
- (9) *The indirect shareholdings are held by Ms Lim Ee Ling, the daughter of Dato’ Seri Lim Su Tong, via Loh Phoy Yen Holdings Sdn Bhd. She is deemed interested via her interests of 25% in Loh Phoy Yen Holdings Sdn Bhd.*
- (10) *The indirect shareholdings are held by Ms Lim Ee Hean, the daughter of Dato’ Seri Lim Su Tong, via Loh Phoy Yen Holdings Sdn Bhd. She is deemed interested via her interests of 25% in Loh Phoy Yen Holdings Sdn Bhd. She is the director of SU, U Mix (Pg), NMET, SOC, OR and MSMC. She is an alternate director of BSCB, Bayview, CD and ORPO.*
- (11) *The indirect shareholdings is held by Mr Tan Hui Ming, the brother of Dato’ Sri Datuk Wira Tan Hui Jing, via Loh Gim Ean Holdings Sdn. Bhd. He is deemed interested via his interests of 21.8% in Loh Gim Ean Holdings Sdn. Bhd. He is a director of BSSB, BSD, ORPO, KM, OR, BSCB and NMET. He is an alternate director in Bayview Hotel, SOC and CD.*
- (12) *The indirect shareholdings are held via Dato’ Seri Loh Cheng Yean Holdings Sdn Bhd, a company owned by the family members of Dato’ Seri Loh Cheng Yean in which Dato’ Seri Loh Cheng Yean is also a director. She is a director of BSSB, Bayview Hotel, Bayview, KM, ORPO and OAM.*

*All the persons connected with these interested Directors and their relationships are disclosed under item 4 in this Circular.*

## 2.2.2 TABLE B – Dato’ Syed Mohamad Bin Syed Murtaza and family and their interests

The related party, Dato’ Syed Mohamad Bin Syed Murtaza (“Dato’ Syed Mohamad”) is the brother of Puan Sharifah Intan Binti S. M. Aidid, a director of OHB. Dato’ Syed Mohamad is interested in the transactions by virtue of his shareholdings in the company as follows:

Direct and Indirect Shareholdings (%) as at 5 June 2020		
Interested Party	AAP	
	Direct	Indirect
Dato’ Syed Mohamad	3.81	0.70

### Notes:

*Dato’ Syed Mohamad is the director of AAP; the indirect shareholdings of 0.70% are held by persons connected to him, namely Hanim Binti S. M. Aidid(0.15%), Sharifah Intan Binti S. M. Aidid(0.32%), Sharipah Barlian Binti S. M. Aidid(0.21%) and the daughter of Sharifah Intan Binti S. M. Aidid, Wan Latifah Binti Ramli(0.02%).*

*His sister, Puan Sharifah Intan Binti S. M. Aidid, is a director of CD, OHB and BSH. Her shareholding in OHB is disclosed in item 4. She does not hold any other directorship in the Group.*

## 2.2.3 TABLE C – Karli Boenjamin and his interests

The related party, Karli Boenjamin is interested in the transactions by virtue of his shareholdings in the companies, as follows:

Direct Shareholdings (%) as at 5 June 2020										
Interested Party	PT MKCS	PT GML	PT GSBL	PT BSSP	PT GSSL	PT PPA	PT GPL	PT SSL	PT SAP	CV Belly
Karli Boenjamin	-	7.5	7.5	10.0	10.0	10.0	10.0	10.0	10.0	-

### Notes:

*Mr Karli Boenjamin is a director of PT GML, PT GSBL, PT BSSP, PT GSSL, PT PPA, PT GPL, PT SSL and PT SAP. His direct interests are disclosed as above except his indirect interests of 10% in PT SSL and PT SAP via PT Tradisi Bina Usaha and PT Kencana Sawit Abadi respectively which he is a director and shareholder. PT MKCS is a company equally owned by Mr Saksono Boenjamin, Mr Effendi Suryono, Mr Sjaudi Djapri and Mr Andri Boenjamin, the persons connected to Mr Karli Boenjamin whilst CV Belly is partnership equally owned by Mr Paul Sanjaya and Mr Effendi Suryono, the persons connected to Mr Karli Boenjamin.*

## 2.2.4 TABLE D – Ooi Soo Pheng and his interests

The related party, Mr Ooi Soo Pheng, is interested in the transactions by virtue of his shareholdings in the companies, as follows :

Indirect Shareholdings (%) as at 5 June 2020			
Interested Party	U Pave	U Mix (Pg)	U Mix
Ooi Soo Pheng	9.0	25.0	100.0

### Notes:

*Mr Ooi Soo Pheng is a director of U Pave, U Mix (Pg) and U Mix respectively. The indirect shareholdings of 9.0% and 100.0% are held via U Mix (Pg) respectively and 25.0% via Unique Rhythm Sdn Bhd, companies in which he has more than 20% interests respectively.*

## 2.2.5 TABLE E – Tan Liang Chye and his interests

The related party, Mr Tan Liang Chye is interested in the transactions by virtue of his shareholdings in the companies, as follows:

Indirect Shareholdings (%) as at 5 June 2020			
Interested Party	U Pave	U Mix (Pg)	U Mix
Tan Liang Chye	24.0	25.0	100.0

Notes:

*Mr Tan Liang Chye is a director of U Pave, U Mix (Pg) and U Mix. The indirect shareholdings of 24.0% and 100.0% are held via U Mix (Pg) and Island Court Sdn Bhd and 25.0% via Unique Rhythm Sdn Bhd, companies in which he has more than 20% interests respectively.*

## 2.2.6 TABLE F – Datuk Loh Kian Chong and his interests

The related party, Datuk Loh Kian Chong is interested in the transactions by virtue of his shareholdings in the following companies:

Indirect Shareholdings (%) as at 5 June 2020		
Interested Party	TSB	TSS
Datuk Loh Kian Chong	100.0	100.0

Notes:

*Datuk Loh Kian Chong is a director of TSB and TSS. The indirect shareholdings of 100.0% in TSB and TSS is held via Penang Realty Sdn Bhd, a company which he has more than 20% interest via Loh Boon Siew Holdings Sdn Bhd.*

## 2.2.7 TABLE G – Teck See Plastic Sdn. Bhd. and its interests

The related party, Teck See Plastic Sdn. Bhd. (“TSP”) is interested in the transactions by virtue of its shareholdings in the following companies:

Direct Shareholdings (%) as at 5 June 2020							
Interested Party	KTSM	HICOM	LME	ONDE	KTSC	PT KASAI	AI
TSP	62.5	49.0	80.0	30.0	25.0	13.78	100

## 2.2.8 TABLE H – Kasai Kogyo Co., Ltd. and its interests

The related party, Kasai Kogyo is interested in the transactions by virtue of its shareholdings in the following companies:

Direct Shareholdings (%) as at 5 June 2020				
Interested Party	KTSM	LME	KTSC	PT KASAI
Kasai Kogyo	37.5	10.0	75.0	62.17

## 2.3 Nature of Recurrent Related Party Transactions

The recurrent Related Party Transactions which will be covered by the Proposed Mandate are the general transactions by the OHB Group relating to the provision of, or the obtaining from, the Related Parties, products and services in the normal course of the business of OHB Group.

The principal activities of OHB Group are broadly categorised under the following business sectors:-

- Sale of motor vehicles
- Plastic products and moulds
- Hotels and resorts
- Investment properties and trading of building material products
- Oil palm plantation
- Investment holding
- Healthcare
- Others such as leasing, letting of properties, land reclamation

It is envisaged that in the normal course of the Group's businesses, transactions of a revenue or trading nature between OHB's subsidiaries and the related parties are likely to occur, and which are necessary for its day-to-day operations. The principal activities of the subsidiaries and the Related Parties which are involved in the Recurrent Related Party Transactions are listed in Appendix I.

The Directors are seeking approval from Stockholders for the Proposed Mandate which will allow the OHB Group, in their normal course of business, to enter into the categories of Recurrent Related Party Transactions as below with the Classes of Related Parties set out in 2.2 above provided such transactions, if any, are made at arms' length, on the OHB 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 stockholders.

### 2.3.1 Recurrent Related Party Transactions between OHB Group and BSSB Group which involve the interests of the Related Parties as disclosed under Table A of item 2.2:

#### (i) Transactions with existing mandate

No.	Nature of transaction	Seller/ Provider	Buyer/ Recipient	* Estimated aggregate value after AGM 2019 to AGM 2020 (RM)	** Estimated aggregate value after AGM 2020 to AGM 2021 (RM)	Actual value + (RM)
1.^	New cars, spare parts and car services	KM	BSSB, BSCB, CD, BSD, Nuwata	2,720,000	3,020,000	832,806
2.^	Transport charges, truck rental and labour charges	BSD	OR	100,000	100,000	783
3.^	Quarry products and red earth	BSD	U Mix (Pg)	1,000,000	900,000	56,042
4.^	Office rental <sup>(a)</sup>	BSSB	SU	80,000	100,000	45,500
5.^	Land rental <sup>(b)</sup>	BSD	U Pave	75,000	100,000	52,620
6.^	Plant rental <sup>(c)</sup>	BSSB	U Mix (Pg)	50,000	50,000	29,000

**2.3.1 Recurrent Related Party Transactions between OHB Group and BSSB Group which involve the interests of the Related Parties as disclosed under Table A of item 2.2: (cont'd)**

**(i) Transactions with existing mandate (cont'd)**

No.	Nature of transaction	Seller/ Provider	Buyer/ Recipient	* Estimated aggregate value after AGM 2019 to AGM 2020 (RM)	** Estimated aggregate value after AGM 2020 to AGM 2021 (RM)	Actual value + (RM)
7.^	Office rental <sup>(d)</sup>	BSSB	ORPO, KM	1,150,000	950,000	269,050
8.^	Office rental <sup>(e)</sup>	BSSB	OHB	100,000	100,000	57,000
9.^	Office rental <sup>(f)</sup>	BSSB	NMET	50,000	50,000	18,500
10.^	Office rental <sup>(g)</sup>	CD	U Mix (Pg)	50,000	50,000	30,000
11.^	Provision of sales, corporate advertising and marketing of hotel	Bayview	Bayview Hotel	2,000,000	2,000,000	870,012
12.^	Management, technical and advisory services	OAM	PT GML, PT GSBL, PT BSSP, PT GSSL, PT DAPO, PT PPA, PT SSL, PT SAP	36,000,000	-	-
13.^	Building materials	U Mix (Pg)	BSD	200,000	100,000	-
14.^	Mixed concrete and quarry product	U Mix (Pg)	Nuwata, CD	300,000	200,000	-
15.^	Building materials	NMET	CD, BSD	100,000	100,000	-
16.^	Building materials	SU	CD, Nuwata, BSD	1,000,000	1,000,000	-
17.^	Office rental <sup>(h)</sup>	BSSB	OR	40,000	40,000	17,930
18.^	Finance lease	SOC	MSMC	3,000,000	3,000,000	1,252,944
19.^	Office rental <sup>(i)</sup>	KM	Nuwata	600,000	600,000	200,000
20.^	Labour charges	Nuwata	OR	60,000	60,000	179
21.^	Truck rental	Nuwata	OR	60,000	60,000	-
22.^	Nursing course sponsorship	NILAM	MSMC	500,000	800,000	438,552
23.^	Office rental <sup>(j)</sup>	MSMC	NILAM	390,000	390,000	250,000
24.^	Office rental <sup>(k)</sup>	Nuwata	OR	100,000	100,000	50,000

**2.3.1 Recurrent Related Party Transactions between OHB Group and BSSB Group which involve the interests of the Related Parties as disclosed under Table A of item 2.2: (cont'd)**

Notes:

- <sup>^</sup> BSSB is deemed interested in the above transactions through its 43% direct interest in OHB as well as indirect interest in OHB Group. BSSB also holds more than 20% interests directly and indirectly in BSD(76.6%), Nuwata(100%), OAM(100%), PT GSBL(92.5%), PT GML(92.5%), Bayview Hotel(49.0%), CD(27.72%), BSCB(51%), PT BSSP(90%), PT GSSL(90%), PT DAPO(90%), PT PPA(90%), PT SSL(90%), PT SAP(90%) and MSMC(100%) (BSSB's direct and indirect interests are shown in brackets).
- (a) The office rented from BSSB by SU is located at Level 8, Wisma Boon Siew, No.1, Jalan Penang, 10000 Penang at a monthly rental of RM4,550 (2,515 sq. ft.).
- (b) The land rented from BSD by U Pave is located at H. S. (D) 2633, Lot 7592, Mukim 13, Daerah Timur Laut, Pulau Pinang at a monthly rental of RM5,262 (52,616 sq. ft.).
- (c) The plant rented from BSSB by U Mix (Pg) is located at Lot 7595, Mukim 13, Daerah Timur Laut, Pulau Pinang at a monthly rental of RM2,900 (28,632.63 sq. ft.).
- (d) The office rented from BSSB by ORPO is located at Level 8, Wisma Boon Siew, No. 1 Jalan Penang, 10000 Penang at a monthly rental of approximately RM9,000 (4,578 sq. ft.). The premises rented from BSSB by KM are: showroom/office located at Lebuah Farquhar, 10200 Penang at a monthly rental of RM7,000 (4,500 sq. ft.); showroom/workshop/stockyard located at Jalan Sungai Pinang, Penang at a monthly rental of RM10,000 (24,191 sq. ft.); storage located at Level 15, Unit 15(G) Wisma Boon Siew, No. 1, Jalan Penang, 10000 Penang at a monthly rental of RM985.
- (e) The offices rented from BSSB by OHB is located at Level 16, Wisma Boon Siew, No.1, Jalan Penang, 10000 Penang at a monthly rental of RM2,700 (1,459.75 sq. ft.) and 25-B Lebuah Farquhar, 10200 Penang at a monthly rental of RM3,000.
- (f) The office rented from BSSB by NMET is located at Level 15, Unit 15(K) Wisma Boon Siew, No.1, Jalan Penang, 10000 Penang at a monthly rental of approximately RM1,850 (1,080 sq. ft.).
- (g) The office rented from CD by U Mix (Pg) is located at 4047 & 4048 Jalan Permatang Pauh, Taman Bagan Lalang, 13400 Butterworth at a monthly rental of approximately RM3,000 (5,600 sq. ft. for 2 lots).
- (h) The offices rented from BSSB by OR is located at 25-B Lebuah Farquhar, 10200 Penang at a monthly rental of RM1,500 (900 sq. ft.) and Level 12-A, Unit F&G, Wisma Boon Siew, No. 1 Jalan Penang at a monthly rental of RM293 (200 sq. ft.).
- (i) The office rented from KM by Nuwata is located at Lot 1145 Jalan Sultan Ahmad Shah, Seksyen 13, Georgetown, D.T.L., Penang at a monthly rental of RM20,000 (74,604 sq. ft.).
- (j) The office rented from MSMC by NILAM is located at Pusat Perubatan Klebang (College Building), Melaka at a monthly rental of RM25,000 (35,566 sq. ft.).
- (k) The office rented from Nuwata by OR is located at Jalan Sultan Ahmad Shah, 10050 Penang at a monthly rental of RM5,000 (1,500 sq. ft.).

**(ii) Transactions where new mandate is sought**

No.	Nature of transaction	Seller/ Provider	Buyer/ Recipient	** Estimated aggregate value after AGM 2020 to AGM 2021 (RM)
1. <sup>^</sup>	Medical supplies	SLP	MSMC	250,000
2. <sup>^</sup>	Shop lot rental <sup>(a)</sup>	MSMC	SLP	190,000
3. <sup>^</sup>	Medical supplies	MSMC	SLP	1,200,000
4. <sup>^</sup>	Management, technical and advisory services	SOAM	PT GML, PT GSBL, PT BSSP, PT GSSL, PT DAPO, PT PPA, PT SSL, PT SAP	44,000,000



**2.3.1 Recurrent Related Party Transactions between OHB Group and BSSB Group which involve the interests of the Related Parties as disclosed under Table A of item 2.2: (cont'd)**

Notes:

- <sup>^</sup> BSSB is deemed interested in the above transactions through its 43% direct interest in OHB as well as indirect interest in OHB Group. BSSB also holds more than 20% interests directly and indirectly in MSMC (100%), SOAM(100%), PT GML(92.5%), PT GSBL(92.5%), PT BSSP(90%), PT GSSL(90%), PT DAPO(90%), PT PPA(90%), PT SSL(90%) and PT SAP(90%). (BSSB's direct and indirect interests are shown in brackets).
- (a) The shop lot rented from MSMC by SLP is located at Lot 2051, Pekan Klebang Seksyen IV, Melaka Tengah, Melaka at a monthly rental of RM5,600 (5,600 sq. ft.).
- \* The value of these transactions is from last AGM to the forthcoming AGM as disclosed in the Circular to stockholders dated 30 April 2019.
- \*\* The value of these transactions from the date of forthcoming AGM up to date of the next AGM is based on past transactions and estimation and may be subject to changes.
- + The actual value transacted is from last AGM to 31 March 2020, the latest practicable date.

**2.3.2 Recurrent Related Party Transactions within OHB Group which involve the interests of Related Parties as disclosed under Table B of item 2.2:**

(i) **Transactions with existing mandate**

No.	Nature of transaction	Seller/ Provider	Buyer/ Recipient	* Estimated aggregate value after AGM 2019 to AGM 2020 (RM)	** Estimated aggregate value after AGM 2020 to AGM 2021 (RM)	Actual value + (RM)
1.	Motorcycle spokes, nipples, control cables, shock absorbers, raw materials and motorcycle parts	AAP	BSH	4,200,000	4,000,000	2,527,643
2.	Plastic components for motorcycles	DF	AAP	300,000	300,000	164,945
3.	Factory rental <sup>(a)</sup>	KM	AAP	1,300,000	-	540,000
4.	Land rental <sup>(b)</sup>	OHB	AAP	840,000	900,000	624,000
5.	New car & car services	KM	AAP	100,000	350,000	148,848

Notes:

- (a) The factory rented from KM by AAP is located at No. 4449, Jalan Permatang Pauh, Mak Mandin, 13400 Butterworth, Penang at a monthly rental of RM90,000 (143,337 sq. ft.).
- (b) The land rental from OHB by AAP is located at Lot No. 1915, 1916, 1917, 1000, 1001, 1004, 1005, 1008, and 1010, Seksyen 3, Bandar Butterworth, Daerah Seberang Perai Utara, Penang at a monthly rental of RM66,000 (431,169 sq. ft.).

**2.3.2 Recurrent Related Party Transactions within OHB Group which involve the interests of Related Parties as disclosed under Table B of item 2.2: (cont'd)**

**(ii) Transaction where new mandate is sought**

No.	Nature of transaction	Seller/ Provider	Buyer/ Recipient	** Estimated aggregate value after AGM 2020 to AGM 2021 (RM)
1.	Factory rental <sup>(a)</sup>	OHB	AAP	1,300,000

Notes:

(a) The factory rented from OHB by AAP is located at No. 4449, Jalan Permatang Pauh, Mak Mandin, 13400 Butterworth, Penang at a monthly rental of RM99,000 (143,337 sq. ft.).

\* The value of these transactions is from last AGM to the forthcoming AGM as disclosed in the Circular to stockholders dated 30 April 2019.

\*\* The value of these transactions from the date of forthcoming AGM up to date of the next AGM is based on past transactions and estimation and may be subject to changes.

+ The actual value transacted is from last AGM to 31 March 2020, the latest practicable date.

**2.3.3 Recurrent Related Party Transactions which involve the interests of Related Party as disclosed under Table C of item 2.2:**

**(i) Transactions with existing mandate**

No.	Nature of transaction	Seller/ Provider	Buyer/ Recipient	* Estimated aggregate value after AGM 2019 to AGM 2020 (RM)	** Estimated aggregate value after AGM 2020 to AGM 2021 (RM)	Actual value + (RM)
1.	Fresh fruit bunches	PT GPL	PT GML, PT GSBL	5,000,000	10,000,000	-
2.	Contractor for land clearing	PT MKCS	PT BSSP, PT GML	20,000,000	20,000,000	2,509,283
3.	Fresh fruit bunches	CV Belly	PT GML, PT GSBL	35,000,000	35,000,000	3,480,721
4.	Seedling	PT BSSP	PT GSBL	500,000	2,000,000	-

**(ii) Transaction where new mandate is sought**

No.	Nature of transaction	Seller/ Provider	Buyer/ Recipient	** Estimated aggregate value after AGM 2020 to AGM 2021 (RM)
1.	Contractor for land clearing	PT MKCS	PT GSSL, PT PPA, PT SSL, PT SAP	25,000,000



**2.3.3 Recurrent Related Party Transactions which involve the interests of Related Party as disclosed under Table C of item 2.2: (cont'd)**

Notes:

- \* The value of these transactions is from last AGM to the forthcoming AGM as disclosed in the Circular to stockholders dated 30 April 2019.
- \*\* The value of these transactions from the date of forthcoming AGM up to date of the next AGM is based on past transactions and estimation and may be subject to changes.
- + The actual value transacted is from last AGM to 31 March 2020, the latest practicable date.

**2.3.4 Recurrent Related Party Transactions within OHB Group which involve the interests of Related Parties as disclosed under Table D and E of item 2.2:**

**(i) Transactions with existing mandate**

No.	Nature of transaction	Seller/ Provider	Buyer/ Recipient	* Estimated aggregate value after AGM 2019 to AGM 2020 (RM)	** Estimated aggregate value after AGM 2020 to AGM 2021 (RM)	Actual value + (RM)
1.	Mixed concrete and quarry product	U Mix (Pg)	U Pave	600,000	500,000	56,705
2.	Mixer truck hiring services, plant & truck maintenance services	U Mix (Pg)	U Mix	500,000	500,000	205,200

Notes:

- \* The value of these transactions is from last AGM to the forthcoming AGM as disclosed in the Circular to stockholders dated 30 April 2019.
- \*\* The value of these transactions from the date of forthcoming AGM up to date of the next AGM is based on past transactions and estimation and may be subject to changes.
- + The actual value transacted is from last AGM to 31 March 2020, the latest practicable date.

**2.3.5 Recurrent Related Party Transactions within OHB Group which involve the interests of Related Party as disclosed under Table E of item 2.2:**

**(i) Transaction with existing mandate**

No.	Nature of transaction	Seller/ Provider	Buyer/ Recipient	* Estimated aggregate value after AGM 2019 to AGM 2020 (RM)	** Estimated aggregate value after AGM 2020 to AGM 2021 (RM)	Actual value + (RM)
1.	Cements	SU	U Mix	20,000,000	10,000,000	1,440,271

Notes:

- \* The value of these transactions is from last AGM to the forthcoming AGM as disclosed in the Circular to stockholders dated 30 April 2019.
- \*\* The value of these transactions from the date of forthcoming AGM up to date of the next AGM is based on past transactions and estimation and may be subject to changes.
- + The actual value transacted is from last AGM to 31 March 2020, the latest practicable date.

**2.3.6 Recurrent Related Party Transactions which involve the interests of Related Party as disclosed under Table F of item 2.2:**

**(i) Transaction with existing mandate**

No.	Nature of transaction	Seller/ Provider	Buyer/ Recipient	* Estimated aggregate value after AGM 2019 to AGM 2020 (RM)	** Estimated aggregate value after AGM 2020 to AGM 2021 (RM)	Actual value + (RM)
1.	Building materials	SU	TSB, TSS	1,000,000	1,000,000	46,735

Notes:

- \* The value of these transactions is from last AGM to the forthcoming AGM as disclosed in the Circular to stockholders dated 30 April 2019.
- \*\* The value of these transactions from the date of forthcoming AGM up to date of the next AGM is based on past transactions and estimation and may be subject to changes.
- + The actual value transacted is from last AGM to 31 March 2020, the latest practicable date.

**2.3.7 Recurrent Related Party Transactions which involve the interests of Related Party as disclosed under Table G of item 2.2:**

**(i) Transactions with existing mandate**

No.	Nature of transaction	Seller/ Provider	Buyer/ Recipient	* Estimated aggregate value after AGM 2019 to AGM 2020 (RM)	** Estimated aggregate value after AGM 2020 to AGM 2021 (RM)	Actual value + (RM)
1.	Prototype of plastic parts, jigs	ONDE	KTSM	1,000,000	1,000,000	455,369
2.	Plastic parts	HICOM	KTSM	300,000	300,000	68,932
3.	Plastic parts	KTSM	HICOM	2,000,000	2,000,000	552,550
4.	Plastic parts	Kasai Kogyo	KTSM	5,000,000	5,000,000	3,132,361
5.	Plastic parts	KTSM	AI	3,900,000	6,500,000	181,371
6.	Plastic parts	AI	KTSM	6,500,000	6,500,000	1,629,003

Notes:

- \* The value of these transactions is from last AGM to the forthcoming AGM as disclosed in the Circular to stockholders dated 30 April 2019.
- \*\* The value of these transactions from the date of forthcoming AGM up to date of the next AGM is based on past transactions and estimation and may be subject to changes.
- + The actual value transacted is from last AGM to 31 March 2020, the latest practicable date.

**2.3.8 Recurrent Related Party Transactions which involve the interests of Related Party as disclosed under Table G and H of item 2.2:**

**(i) Transactions with existing mandate**

No.	Nature of transaction	Seller/ Provider	Buyer/ Recipient	* Estimated aggregate value after AGM 2019 to AGM 2020 (RM)	** Estimated aggregate value after AGM 2020 to AGM 2021 (RM)	Actual value + (RM)
1.	New molds, mold repairs	LME	KTSM	3,500,000	1,000,000	849,104
2.	Plastic parts	KTSC, PT Kasai	KTSM	16,000,000	16,000,000	7,252,804

**Notes:**

- \* *The value of these transactions is from last AGM to the forthcoming AGM as disclosed in the Circular to stockholders dated 30 April 2019.*
- \*\* *The value of these transactions from the date of forthcoming AGM up to date of the next AGM is based on past transactions and estimation and may be subject to changes.*
- + *The actual value transacted is from last AGM to 31 March 2020, the latest practicable date.*

#### 2.4 Amount Due and Owing Under Recurrent Related Party Transactions

Details of the sums due and owing by the related parties pursuant to a RRPT which exceeded the credit terms as at the financial year ended 31 December 2019:

Related parties	Provider	Recipient	Total sum due and owing pursuant to a RRPT which exceeded the credit term as at the financial year ended 31 December 2019 by:										
			x ≤ 1 year		1 year < x ≤ 3 years		3 years < x ≤ 5 years		5 years < x		Principal Sum (RM)	Interest (RM)	
			Principal Sum (RM)	Interest (RM)	Principal Sum (RM)	Interest (RM)	Principal Sum (RM)	Interest (RM)	Principal Sum (RM)	Interest (RM)			
BSSB	KM	BSSB	266,215	-	-	-	-	-	-	-	-	-	-
BSSB	KM	BSCB	14,227	-	-	-	-	-	-	-	-	-	-
BSSB	KM	CD	300	-	-	-	-	-	-	-	-	-	-
BSSB	KM	Nuwata	9,012	-	-	-	-	-	-	-	-	-	-
BSSB	KM	BSD	923	-	-	-	-	-	-	-	-	-	-
BSSB	Bayview	Bayview Hotel	77,047	-	-	-	-	-	-	-	-	-	-
Dato' Syed Mohamad Bin Syed Murtaza	AAP	BSH	478,871	-	-	-	-	-	-	-	-	-	-
Dato' Syed Mohamad Bin Syed Murtaza	DF	AAP	78,531	-	-	-	-	-	-	-	-	-	-

**Notes:**

- (a) There are no late payment charges imposed on the outstanding amounts as they are trade in nature.
- (b) The Company continuously follows up with the debtor for timely settlement of outstanding amounts.
- (c) The Board of Directors is of the opinion that there is no recoverability issue as the debtor is a related party with a long standing relationship with OHB Group and has proven to be creditworthy with a good payment record.
- (d) A total sum of RM748,142 has been collected as at 31 March 2020, the latest practicable date for the total sum due which exceeded the credit term less than one year as at the financial year ended 31 December 2019.

## **2.5 Rationale of the Proposed Mandate**

The companies in the Group have in the past entered into the recurrent related party transactions disclosed in Section 2.3 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 stockholders' approval on a case to case basis before entering into such related party transactions.

The renewal of the Proposed Mandate on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Stockholders' approval as and when potential Recurrent Related Party Transactions arise, thereby reducing substantially administrative time and expense in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to OHB Group.

## **2.6 Benefit of the Proposed Mandate**

It is in the interest of the Group to enter into the Recurrent Related Party Transactions. The close working relationship with the Related Parties ensures and will continue to ensure timely delivery and provision of services, commitment and reliability of quality services for OHB Group, to enable smooth operation of the day-to-day business of the Related Parties and thus will result in mutual benefits to the parties of the OHB Group.

## **2.7 The Methods and Procedures on which Transactions Prices will be Determined and Other Review Procedures**

### **2.7.1 Review Methods or Procedures for Recurrent Related Party Transactions**

To ensure that Recurrent Related Party Transactions are conducted at arm's length and on normal commercial terms consistent with the OHB Group's usual business practices and policies, the management will ensure that transactions with Related Parties will be entered into in the normal course of business and the terms of which shall be established on a negotiated basis consistent with commercial terms for transactions with third parties, on terms not more favourable than those generally available to the public and not to the detriment of the minority stockholders of the Company, which will take into account the pricing, level of service, quality of product, demand and supply, availability of the products or services in the market, market forces and other related factors (including preferential rates and discounts accorded for bulk purchases or otherwise in accordance with applicable industry norms). The procedures established by the Group are as follows:

- (i) An updated list of Related Parties shall be circulated to the operating segments and subsidiaries from time to time for reference in ensuring that all transactions with such Related Party Transactions are undertaken in accordance with the policies.
- (ii) All operating segments and subsidiaries companies shall review the existing information systems to ensure that information on Related Party Transactions are captured at source.
- (iii) Records will be maintained by each operating segments and subsidiary company to record all transactions with Related Parties pursuant to the Proposed Mandate.
- (iv) The Company will compile details of all the Recurrent Related Party Transactions on a quarterly basis and benchmark against mandated thresholds.
- (v) The Company's internal audit plan shall incorporate a review of all material transactions with Related Parties to ensure that the above procedures in respect of such transactions are adhered to.
- (vi) The Board and the Audit Committee shall review the related party transaction policy to ascertain that the guidelines and procedures established to monitor Recurrent Related Parties Transactions have been complied with.

### **2.7.1 Review Methods or Procedures for Recurrent Related Party Transactions (cont'd)**

- (vii) The Board and Audit Committee shall continue to review the procedures as and when required, with the authority to sub-delegate to individuals or committees within the Company as and when they deem appropriate. If a member of the Board or the Audit Committee has an interest in the transaction to be reviewed by the Board or Audit Committee as the case may be, he will abstain from any decision making by the Board and the Audit Committee in respect of that transaction.
- (viii) 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 products/services and/or quantities.
- (ix) In the event that quotations or comparative pricing from unrelated third party cannot be obtained for the proposed transactions, the Group will rely on their market knowledge of prevailing industry norms bearing in mind the urgency and efficiency of services to be provided or required to ensure that the Recurrent Related Party Transactions is not detrimental to the Company/Group.

### **2.7.2 Thresholds for Approval of Recurrent Related Party Transaction**

There are no specific thresholds for the approval of Recurrent Related Party Transaction within the Group. The Recurrent Related Party Transaction will be reviewed by the Audit Committee and approved by the Board.

### **2.8 Validity Period of the Proposed Mandate**

If approved at the forthcoming AGM, the proposed stockholders' Mandate will take effect from the passing of the Ordinary Resolution relating thereto at the AGM and will continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the general meeting at which authorisation is obtained, at which time it shall lapse, unless by ordinary resolutions passed at the meeting, the authority is renewed either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company after this date is required to be held pursuant to Section 340(2) of the Companies Act 2016; or
- (iii) revoked or varied by resolutions passed by the stockholders in a general meeting;

whichever is earlier.

Transactions with any Related Parties, which do not fall within the ambit of the Proposed Mandate, will be subject to other applicable provisions of the MMLR, the Act and/or any applicable law.

## **2.9 Disclosure in Annual Report**

Disclosure will be made in the Company's Annual Report which requires of a breakdown of the aggregate value of transactions conducted pursuant to the Proposed Mandate during the financial year based on the following information:

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

The threshold for the disclosure is where:

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

whichever is the higher.

## **2.10 Statement by Audit Committee**

The Audit Committee will call for an annual review of Recurrent Related Party Transactions to ensure that such transactions are undertaken at arm's length, on normal commercial terms, on terms not more favourable to the Related Parties than those generally available to the public, are not in the Company's opinion, detrimental to the minority stockholders and are in the best interest of the OHB Group.

If during the reviews, the Audit Committee is of the view that the guidelines and procedures as stated above are not sufficient to ensure normal commercial terms and/or detrimental to the minority stockholders, the Company will revert to stockholders for a fresh mandate based on new guidelines and procedures immediately, and in any case before the next transaction is entered into.

The Audit Committee shall also during their review request for additional information on all Recurrent Related Party Transactions.

The Audit Committee is of the view that the existing review procedures for Recurrent Related Party Transactions are sufficient to ensure that such transactions will be carried out at arm's length basis and on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority stockholders.

The Company has in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner.

## **3 FINANCIAL EFFECTS OF THE PROPOSED MANDATE**

The Proposed Mandate are not expected to have any effect on the issued share capital, earnings and net assets of the OHB Group.

## **4 INTERESTS OF DIRECTORS AND MAJOR STOCKHOLDER**

The table below shows the equity interests held directly and indirectly in OHB by its directors and major stockholders and their persons connected as at 5 June 2020. None of the Directors and/or major stockholders of the Group and their connected persons have any interest, either direct or indirect, in the Proposed Mandate, other than as disclosed hereunder.

The following are interested directors and interested major stockholders and persons connected to the interested Directors and major stockholders of OHB Group by virtue of Section 197 of the Act, who have stockholdings in the Company as at 5 June 2020. All interested directors have and will abstain from Board's deliberations in relation to the Proposed Mandate.

#### 4. INTERESTS OF DIRECTORS AND MAJOR STOCKHOLDER (cont'd)

All interested directors (Datuk Loh Kian Chong, Dato' Robert Wong Lum Kong, DSSA, JP, Dato' Seri Lim Su Tong, Ms Tan Kheng Hwee, Dato' Sri Datuk Wira Tan Hui Jing, Puan Sharifah Intan Binti S. M. Aidid and Datin Loh Ean) and major stockholder (BSSB) and persons connected with the directors and/or major stockholder will abstain from voting in respect of their direct and/or indirect stockholdings in relation to the Proposed Mandate at the AGM of OHB to be convened. An interested director and/or major stockholder must also ensure that the persons connected with him shall also abstain from voting on the resolution approving the Proposed Mandate at the forthcoming AGM.

Name	Relationship	Stockholdings held 5 June 2020			
		Direct	%	Indirect	%
<b>Director</b>					
Datuk Loh Kian Chong	Interested Director	800,000	0.13	<sup>(a)</sup> 359,852,450	58.01
Dato' Robert Wong Lum Kong, DSSA, JP	Interested Director	181,149	0.03	<sup>(b)</sup> 161,872	0.03
Dato' Seri Lim Su Tong	Interested Director	2,966,906	0.48	<sup>(b)</sup> 4,067,226	0.65
Tan Kheng Hwee	Interested Director	172,032	0.03	-	-
Dato' Sri Datuk Wira Tan Hui Jing	Interested Director	-	-	<sup>(c)</sup> 794,800	0.13
Sharifah Intan Binti S. M. Aidid	Interested Director	18,000	0.00	-	-
Datin Loh Ean	Interested Director	161,872	0.03	<sup>(b)</sup> 181,149	0.03
<b>Major Stockholder</b>					
Boon Siew Sdn Bhd <sup>(1)</sup>	Interested major stockholder	266,729,662	43.00	<sup>(d)</sup> 78,604,757	12.67
<b>Person(s) Connected</b>					
Dato' Seri Loh Cheng Yean	Mother of Tan Kheng Hwee	486,755	0.08	<sup>(b)</sup> 457,724	0.07
Dato' Syed Mohamad Bin Syed Murtaza	Brother of Puan Sharifah Intan Binti S. M. Aidid	32,194	0.01	-	-
Dato' Dr Tan Chong Siang	Father of Dato' Sri Datuk Wira Tan Hui Jing, Tan Hui Ming and Dr Tan Hui Ling	38,307	0.01	-	-
Tan Hui Ming	Brother of Dato' Sri Datuk Wira Tan Hui Jing and Dr Tan Hui Ling	-	-	<sup>(c)</sup> 794,800	0.13
Dr Tan Hui Ling	Sister of Dato' Sri Datuk Wira Tan Hui Jing and Tan Hui Ming	-	-	-	-
Dato' Lim Kean Seng	Child of Dato' Seri Lim Su Tong	857,683	0.14	<sup>(e)</sup> 3,209,543	0.52
Lim Ee Ling	Child of Dato' Seri Lim Su Tong	-	-	<sup>(f)</sup> 3,209,543	0.52



#### 4. INTERESTS OF DIRECTORS AND MAJOR STOCKHOLDER (cont'd)

Name	Relationship	Stockholdings held 5 June 2020			
		Direct	%	Indirect	%
<b>Person(s) Connected</b>					
Lim Ee Hean	Child of Dato' Seri Lim Su Tong	-	-	<sup>(f)</sup> 3,209,543	0.52
Tan Ju Nguan	Brother of Tan Kheng Hwee	130,560	0.02	-	-
Tan Kheng Ju	Sister of Tan Kheng Hwee	86,016	0.01	-	-
Tan Sri Dato' Loh Boon Siew (deceased)	Father of Dato' Seri Loh Cheng Yearn	37,161	0.01	-	-
Tan Puay Huat (deceased)	Spouse of Dato' Seri Loh Cheng Yearn	69,116	0.01	-	-
Shirley Kathreyn Yap	Sister in law of Dato' Seri Loh Cheng Yearn	187,652	0.03	-	-
Penang Yellow Bus Company Berhad <sup>(2)</sup>	Person connected	32,848,477	5.30	-	-
Bayview Hotel Sdn Bhd <sup>(2)</sup>	Person connected	21,848,407	3.52	-	-
Boontong Estates Sdn Bhd <sup>(2)</sup>	Person connected	11,432,966	1.84	-	-
Boon Siew Development Sdn Bhd <sup>(2)</sup>	Person connected	3,474,907	0.56	-	-
Southern Perak Plantations Sdn Berhad <sup>(2)</sup>	Person connected	9,000,000	1.45	-	-
Loh Boon Siew Holdings Sdn Bhd <sup>(3)</sup>	Person connected	7,568,031	1.22	-	-
Loh Kar Bee Holdings Sdn Bhd <sup>(4)</sup>	Person connected	6,750,000	1.09	-	-
Loh Kah Kheng Holdings Sdn Bhd <sup>(4)</sup>	Person connected	252,681	0.04	-	-
Tong Yen Sdn Bhd <sup>(5)</sup>	Person connected	1,708,278	0.28	-	-
Loh Phoy Yen Holdings Sdn Bhd <sup>(5)</sup>	Person connected	976,665	0.16	-	-
Loh Gim Ean Holdings Sdn Bhd <sup>(6)</sup>	Person connected	794,800	0.13	-	-
Global Investment Limited <sup>(7)</sup>	Person connected	200,000	0.03	-	-

Notes:

- (1) *Boon Siew Sdn Bhd, a major stockholder of OHB by virtue of the management control exercised collectively by Datuk Loh Kian Chong, Dato' Robert Wong Lum Kong, DSSA, JP, Dato' Seri Lim Su Tong, Dato' Sri Datuk Wira Tan Hui Jing and Ms Tan Kheng Hwee is deemed person connected to these directors.*
- (2) *Persons connected to BSSB of which BSSB holds more than 20% interests in Penang Yellow Bus Company Berhad (45.2%), Bayview Hotel Sdn Bhd (49.0%), Boon Siew Development Sdn Bhd (76.6%) and Boontong Estate Sdn Bhd (85.3%) and Southern Perak Plantations Sdn Berhad (95.0%). (BSSB's direct and indirect interests are shown in bracket).*

#### 4. INTERESTS OF DIRECTORS AND MAJOR STOCKHOLDER (cont'd)

- (3) *Loh Boon Siew Holdings Sdn Bhd, a company owned by family members.*
- (4) *Loh Kar Bee Holdings Sdn Bhd and Loh Kah Kheng Holdings Sdn Bhd are companies owned by the family members of the brothers of Dato' Seri Loh Cheng Yeap and Datin Loh Ean.*
- (5) *Tong Yen Sdn Bhd and Loh Phoy Yen Holdings Sdn Bhd, are companies owned by the family members of Dato' Seri Lim Su Tong.*
- (6) *Loh Gim Ean Holdings Sdn Bhd, a company owned by family members of Dato' Sri Datuk Wira Tan Hui Jing.*
- (7) *Global Investment Limited, a company which Datuk Loh Kian Chong and Dato' Lim Kean Seng hold more than 20% interests.*
- (a) *Deemed interested via BSSB (38.0%), Penang Yellow Bus Company Berhad (45.2%), Bayview Hotel Sdn Bhd (65.3%), Loh Boon Siew Holdings Sdn Bhd (18.9%), Loh Kar Bee Holdings Sdn Bhd (61%), Boon Siew Development Sdn Bhd (83.6%), Boontong Estates Sdn Bhd (92.6%), Southern Perak Plantations Sdn Berhad (95.0%) and Global Investment Limited (79.1%). (Datuk Loh Kian Chong's direct and indirect interests are shown in brackets).*
- (b) *Dato' Seri Loh's deemed interest via spouse (69,116), daughters (258,048) and son (130,560).  
Dato' Robert Wong's deemed interest via spouse (161,872)  
Dato' Seri Lim's deemed interest via son (Direct – 857,683 & indirect – 3,209,543)  
Datin Loh Ean's deemed interest via spouse (181,149)*
- (c) *Deemed interested via Loh Gim Ean Holdings Sdn Bhd (21.8%).*
- (d) *Deemed interested via Penang Yellow Bus Company Berhad, Bayview Hotel Sdn Bhd, Boon Siew Development Sdn Bhd, Southern Perak Plantations Sdn Berhad and Boontong Estates Sdn Bhd by virtue of BSSB holding more than 20% interests in Penang Yellow Bus Company Berhad (45.2%), Bayview Hotel Sdn Bhd (49.0%), Boon Siew Development Sdn Bhd (76.6%), Southern Perak Plantations Sdn Berhad (48.25%) and Boontong Estate Sdn Bhd (85.3%). (BSSB's direct and indirect interests are shown in brackets).*
- (e) *Deemed interested via Tong Yen Sdn Bhd, Loh Phoy Yen Holdings Sdn Bhd and Global Investment Limited in which he has 47.9%, 50.0% and 79.1% interest respectively.*
- (f) *Deemed interested via Tong Yen Sdn Bhd, Loh Phoy Yen Holdings Sdn Bhd and Global Investment Limited in which she has 19.7%, 25.0% and 79.1% interest respectively.*

#### 5. CONDITION OF THE PROPOSED MANDATE

The Proposed Mandate is conditional upon the approval of the stockholders of OHB being obtained at the forthcoming Annual General Meeting.

#### 6. DIRECTORS' RECOMMENDATION

Having considered all aspects of the Proposed Mandate, the Directors except Datuk Loh Kian Chong, Dato' Robert Wong Lum Kong, DSSA, JP, Dato' Seri Lim Su Tong @ Lim Chee Tong, Ms Tan Kheng Hwee, Dato' Sri Datuk Wira Tan Hui Jing, Puan Sharifah Intan Binti S. M. Aidid and Datin Loh Ean are of the opinion that the Proposed Mandate is in the best interest of the Group.

With the exception of the abovementioned interested Directors who are interested in the Proposed Mandate and have therefore abstained from making any recommendation in respect of the Recurrent Related Party Transactions in which they are involved, the directors recommend that you vote in favour of the resolutions pertaining to the Proposed Mandate contained herein to be tabled at the forthcoming AGM.

## **7. ANNUAL GENERAL MEETING**

The AGM, the notice of which is set out in the Annual Report of the Company despatched together with this Circular, will be held virtually at 2:30 p.m. on 15 July 2020 from the Broadcast Venue at Sri Mas Ballroom, Level 4, Bayview Hotel Georgetown Penang, 25A Farquhar Street, 10200 Penang, for the purpose of considering and, if thought fit, passing with or without any modifications to the Ordinary Resolution so as to give effect to the Proposal under the special business in the AGM.

If you are unable to attend and vote in person at the AGM, you are requested to complete and deposit the Form of Proxy in accordance with the instructions therein as soon as possible so as to arrive at the Registered Office of the Company or via Vote2U Online at <https://web.vote2u.app> not less than forty-eight (48) hours before the time set for 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.

## **8. FURTHER INFORMATION**

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

Yours faithfully  
For and behalf of the Board of  
**Oriental Holdings Berhad**

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**Mary Geraldine Phipps**  
Independent Non-Executive Director

## ACTIVITIES OF OHB GROUP, ASSOCIATED COMPANIES &amp; RELATED PARTIES

## (I) OHB GROUP

No.	Company	Group Interest %	Principal Activities
<b>AUTOMOTIVE SEGMENT</b>			
1.	Armstrong Auto Parts Sdn. Berhad	89.7	<i>Investment holding company and a manufacturer for automotive parts</i>
2.	Kah Motor Company Sdn. Berhad	100.0	<i>Distribution and retailing of motor vehicles and spare parts, servicing, rental and leasing of motor vehicles, investment holding as well as hotelier</i>
<b>PLASTIC SEGMENT</b>			
3.	Dragon Frontier Sdn. Bhd.	100.0	<i>Manufacture of plastic moulded parts for electrical, electronics and automotive industries</i>
4.	Kasai Teck See (Malaysia) Sdn. Bhd.	37.5	<i>Designing, research and development manufacturing and sale of plastic and automotive interior parts</i>
5.	Lipro Mold Engineering Sdn. Bhd.	48.0	<i>Manufacture and repair of moulds, jigs and fixtures</i>
6.	Oriental Nichinan Design Engineering Sdn. Bhd.	88.0	<i>Design, manufacture and sale of prototype models</i>
7.	Teck See Plastic Sdn Bhd	60.0	<i>Investment holding, letting of property, plant and equipment and manufacturing and distribution of plastic articles and products</i>
<b>PLANTATION SEGMENT</b>			
8.	Oriental Rubber & Palm Oil Sdn. Berhad	100.0	<i>Cultivation of oil palm, investment holding and letting of parking lots</i>
9.	PT Bumi Sawit Sukses Pratama	45.5	<i>Oil palm plantation</i>
10.	PT Dapo Agro Makmur	45.5	<i>Oil palm plantation</i>
11.	PT Pratama Palm Abadi	45.5	<i>Oil palm plantation</i>
12.	PT Gunung Sawit Selatan Lestari	45.5	<i>Oil palm plantation</i>
13.	PT Gunung Maras Lestari	46.7	<i>Oil palm plantation</i>
14.	PT Gunungsawit Binalestari	46.7	<i>Oil palm plantation</i>
15.	PT Sumatera Sawit Lestari	45.5	<i>Oil palm plantation</i>
16.	PT Surya Agro Persada	45.5	<i>Oil palm plantation</i>

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**ACTIVITIES OF OHB GROUP, ASSOCIATED COMPANIES & RELATED PARTIES (cont'd)**
**(I) OHB GROUP (cont'd)**

No.	Company	Group Interest %	Principal Activities
<b>OTHERS</b>			
17.	Armstrong Industries Sdn. Bhd.	60.0	<i>Investment holding</i>
18.	Bayview International Sdn. Bhd.	100.0	<i>Provision of advertising, marketing and central reservation services</i>
19.	Melaka Straits Medical Centre Sdn. Bhd.	51.0	<i>Operate a medical centre and provision of related healthcare services</i>
20.	Nilam Healthcare Education Centre Sdn. Bhd.	70.0	<i>Institution in providing nursing program</i>
21.	North Malaya Engineers Trading Company Sdn. Berhad	100.0	<i>Manufacture of steel wire, galvanised wire, wire mesh, barbed wire, weld mesh, nails and building materials</i>
22.	Simen Utara Sdn. Bhd.	91.0	<i>Distributor of cement, concrete products and building materials</i>
23.	Syarikat Oriental Credit Berhad	100.0	<i>Money lending and leasing</i>
24.	Star Life Pharma Sdn. Bhd.	100.0	<i>Intends to operate as an integrated lifestyle retail pharmacy</i>
25.	Selasih OAM Sdn. Bhd.	50.5	<i>Investment holding</i>
26.	Unique Pave Sdn. Bhd.	74.9	<i>Manufacturer and dealer of concrete products</i>
27.	Unique Mix (Penang) Sdn. Bhd.	63.7	<i>Manufacturer and dealer of concrete products</i>
28.	Unique Mix Sdn. Bhd.	63.7	<i>Sale and distribution of ready-mixed concrete</i>
29.	Oriental Asia (Mauritius) Pte. Ltd.	50.5	<i>Investment holding, provision of consultancy and employment services and granting of loans</i>
30.	Oriental Realty Sdn. Bhd.	100.0	<i>Property development and investment holding</i>

**(II) ASSOCIATED COMPANIES OF OHB**

No.	Company	Group Interest %	Principal Activities
1.	Boon Siew Honda Sdn. Bhd.	49.0	<i>Manufacture, assembly and sale of motorcycles</i>
2.	Chainferry Development Sdn. Berhad	33.4	<i>Property development</i>

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**ACTIVITIES OF OHB GROUP, ASSOCIATED COMPANIES & RELATED PARTIES (cont'd)**
**(II) ASSOCIATED COMPANIES OF OHB (cont'd)**

No.	Company	Group Interest %	Principal Activities
3.	Hicom-Teck See Manufacturing Malaysia Sdn. Bhd.	29.4	<i>Manufacture of thermo plastic and thermo setting products</i>
4.	Kasai Teck See Co., Ltd.	15.0	<i>Manufacture and sale of parts, mould and automotive equipment including automotive interior parts</i>
5.	PT Kasai Teck See Indonesia	30.3	<i>Manufacture and distribution of plastic articles and products in automotive and electrical sectors</i>

**(III) RELATED PARTIES**

No.	Company	Principal Activities
1.	Boon Siew Sdn. Bhd.	<i>Cultivation of rubber, investment holding, insurance agent and rental of premises</i>
2.	Bayview Hotel Sdn. Bhd.	<i>Hotelier and investment holding</i>
3.	Boon Siew Development Sdn. Bhd.	<i>Extraction and sale of red earth, sand and granite, cultivation and sale of oil palm produce, property development and investment holding</i>
4.	Boon Siew Credit Berhad	<i>Financing of housing and other loans, hire purchase and investment holding</i>
5.	CV Belly Brothers Corporation	<i>Trading of oil palm products</i>
6.	Kasai Kogyo Co., Ltd.	<i>Manufacture and sale of automotive interior products</i>
7.	Nuwata Sdn. Bhd.	<i>Property developer</i>
8.	PT Gunung Pelawan Lestari	<i>Oil palm plantation</i>
9.	PT Multi Karya Cipta Selaras	<i>Contractor of land clearing</i>
10.	Taman Sri Bunga Sdn. Bhd.	<i>Property development, contractor and acting as trading agents</i>
11.	Taman Sri Setia Sdn. Bhd.	<i>Property development</i>

**FURTHER INFORMATION****1. DIRECTORS' RESPONSIBILITY**

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

**2. MATERIAL CONTRACTS**

Neither the Company nor any of its subsidiary companies has entered into any contracts which are or may be material during the two (2) years preceding the date of this Circular other than contracts entered into in the ordinary course of business.

**3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

Neither the Company nor any of its subsidiary companies 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 or its subsidiary companies which might materially affect the financial position or business of the Company and/or its subsidiary companies.

**4. DOCUMENTS FOR INSPECTION**

Copies of the following documents will be available for inspection during normal office hours (except public holidays) at the Registered Office of OHB at 170-09-01 Livingston Tower, Jalan Argyll, 10050 George Town, Penang from the date of this Circular up to the date of AGM :

- (a) the Constitution of OHB;
- (b) the Audited Financial Statements of OHB for the past two (2) financial years ended 31 December 2018 and 31 December 2019.