

**THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused this Statement prior to its issuance as it is an exempted document.

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**SKP RESOURCES BHD**

[Registration No. 200001021690 (524297-T)]  
(Incorporated in Malaysia)

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE  
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN  
SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

The resolution in respect of the above Proposal will be tabled as Special Business at the Twenty-First Annual General Meeting ("**21st AGM**") of the Company which will be held on a fully virtual basis vide the Online Meeting Platform hosted on Securities Services e-Portal at <https://sshsb.net.my/> on Wednesday, 29 September 2021 at 3:00 p.m., or any adjournment thereof. The Notice of 21st AGM and Form of Proxy as set out in the Company's Annual Report 2021, together with this Statement, are available at the Company's website at [www.skpres.com/AR.html](http://www.skpres.com/AR.html).

The appointment of proxy(ies) may now be made either in hard copy form or by electronic form, and, shall be deposited with the Company's Poll Administrator, namely, SS E Solutions Sdn Bhd, either at the designated office as stated below or vide Securities Services e-Portal, not less than forty-eight (48) hours before the time appointed for holding the 21st AGM or adjournment thereof (i.e. on or before Monday, 27 September 2021 at 3:00 p.m.):-

**Mode of Submission**

Hard copy

**Designated Address**

SS E Solutions Sdn Bhd  
Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara,  
Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan  
Fax: 03-2094 9940 and/ or 03-2095 0292  
Email: [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my)

Electronic appointment

Securities Services e-Portal  
Weblink: <https://sshsb.net.my/>

<b>Date and time of the AGM</b>	: Wednesday, 29 September 2021 at 3:00 p.m.
<b>Last date and time for lodging the Form of Proxy</b>	: Monday, 27 September 2021 at 3:00 p.m., or any adjournment thereof
<b>Meeting Platform/Venue of the 21<sup>st</sup> AGM</b>	: <b>Securities Services e-Portal at <a href="https://sshsb.net.my/">https://sshsb.net.my/</a> provided by SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan</b>

This Statement is dated 30 August 2021

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## DEFINITIONS

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

“Act”	:	The Companies Act 2016, as amended from time to time and any re-enactment thereof
“AGM”	:	Annual General Meeting
“Annual Report 2021”	:	Annual Report of SKP issued for the financial year ended 31 March 2021
“Board” or “Directors”	:	Board of Directors of SKP
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
Director(s)	:	Director(s) of SKP
“EPS”	:	Earnings per share
“Listing Requirements”	:	Bursa Securities Main Market Listing Requirements, including any amendments thereto that may be made from time to time
“LPD”	:	1 August 2021, being the latest practicable date prior to the printing of this Statement
“Major Shareholder”	:	<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> <p>(a) 10% or more of the total number of voting shares in the corporation; or</p> <p>(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> <p>For the purposes of this definition, “interest in shares” shall have the same meaning given in Section 8 of the Act.</p>
“Market Day(s)”	:	Any day on which the stock market of the Exchange is open for trading in securities
“NA”	:	Net assets attributable to ordinary equity holder of the Company
“Proposed Renewal of Share Buy-Back Authority”	:	Proposed renewal of authority for the Company to purchase its own shares up to ten percent (10%) of its total number of issued shares
“Purchased Shares”	:	SKP Shares to be purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back Authority
“RM” and “sen”	:	Ringgit Malaysia and sen respectively, the lawful currency of Malaysia
“SKP” or “Company”	:	SKP Resources Bhd [Registration No. 200001021690 (524297-T)]
“SKP Group” or “Group”	:	SKP and its subsidiary companies, collectively
“SKP Share(s)” or “Share(s)”	:	Ordinary shares in the Company
“Substantial Shareholder”	:	Shall have the meaning given in Section 136 of the Act

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**DEFINITIONS (*cont'd*)**

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Treasury Shares : Purchased Shares which are retained by the Company shall have the meaning under Section 127 of the Act

All references to “**you**” in this Statement are to the shareholders of the Company.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural, and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference to any enactment in this Statement is a reference to that enactment as amended or re-enacted from time to time.

Any reference to a time of day in this Statement is a reference to Malaysia time, unless otherwise stated.

Any discrepancy in the figures included in this Statement between the amounts stated and the totals thereof are due to rounding.

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**SKP RESOURCES BHD**  
[Registration No. 200001021690 (524297-T)]  
(Incorporated in Malaysia)

**Registered Office:**

Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Wilayah Persekutuan

30 August 2021

**Board of Directors**

Dato' Gan Kim Huat (*Executive Chairman cum Managing Director*)  
Gan Poh San (*Executive Director*)  
Koh Chin Koon (*Non-Independent Non-Executive Director*)  
Koh Song Heng (*Independent Non-Executive Director*)  
Anita Chew Cheng Im (*Independent Non-Executive Director*)  
Goh Kah Im (*Independent Non-Executive Director*)

**To: The Shareholders of SKP**

Dear Sir/Madam,

**PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

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**1.0 INTRODUCTION**

At the Twentieth (20<sup>th</sup>) AGM of SKP held on 25 September 2020, the Company had obtained its shareholders' approval for the renewal of the authority to purchase its own shares of up to ten percent (10%) of the total number of issued shares of our Company. The aforesaid shareholders' approval shall in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 21<sup>st</sup> AGM unless such authority is renewed by an ordinary resolution to be passed by the shareholders at the forthcoming 21<sup>st</sup> AGM.

On 23 August 2021, SKP had announced that the Company is proposing to seek approval from its shareholders for the Proposed Renewal of Share Buy-Back Authority at the 21<sup>st</sup> AGM of the Company.

The purpose of this Statement is to provide you with the details of the Proposed Renewal of Share Buy-Back Authority, together with the Board's recommendation and to seek your approval for the Proposed Renewal of Share Buy-Back Authority to be tabled as a Special Business at our forthcoming 21<sup>st</sup> AGM. The Notice of the 21<sup>st</sup> AGM and the Form of Proxy are enclosed in the Company's Annual Report 2021.

**SHAREHOLDERS OF SKP ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS STATEMENT BEFORE VOTING ON THE ORDINARY RESOLUTION TO GIVE EFFECT TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY AT THE FORTHCOMING 21<sup>ST</sup> AGM OF THE COMPANY.**

## **2.0 DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The Proposed Renewal of Share Buy-Back Authority, if granted, will provide the Company with the renewed authority to purchase up to ten percent (10%) of the total number of issued shares of the Company at the point of purchase through the Company's appointed stockbroker(s) as approved by Bursa Securities. The purchases pursuant to the Proposed Renewal of Share Buy-Back Authority will be effected on Bursa Securities subject to compliance with Section 127 of the Act, the Listing Requirements and the prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase.

The actual number of SKP Shares to be purchased and the timing of such purchase will depend on (among others) the prevailing equity market conditions and sentiments of the stock market as well as the balances in retained profits, and the financial resources available to the Company at the time of the purchase(s).

The Proposed Renewal of Share Buy-Back Authority, if approved, shall be effective upon the passing of the resolution at the forthcoming 21<sup>st</sup> AGM of SKP until:-

- (a) the conclusion of the next AGM of the Company, at which time the authority shall lapse, unless by ordinary resolution passed at the meeting, the authority is renewed, 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 an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Listing Requirements and any other relevant authorities.

The approval of the shareholders on the Proposed Renewal of Share Buy-Back Authority does not impose an obligation on the Company to purchase its own Shares. However, it will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period.

### **2.1 Status and Treatment of Treasury Shares**

Pursuant to the provisions of Section 127(7) of the Act, the Board may, at its discretion, deal with the Purchased Shares in the following manner as may be permitted by the Act, rules, regulations, guidelines, requirements and/or orders of Bursa Securities and any other relevant authorities for the time being in force:

- (a) cancel all or part of the Purchased Shares; and/or
- (b) retain all or part of the Purchased Shares as treasury shares for either of the following:-
  - (i) distribute the shares as dividends to shareholders, such dividends to be known as "share dividend";
  - (ii) resell the shares or any of the shares on Bursa Securities in accordance with the relevant rules of the Bursa Securities;
  - (iii) transfer the shares, or any of the shares for the purposes of or under an employees' share scheme; and
  - (iv) transfer the shares, or any of the shares as purchase consideration; or
- (c) such other manner as allowed by the Act and Bursa Securities from time to time.

The Board may decide to cancel the Purchased Shares if it is of the opinion that, in the foreseeable future, there are no investment opportunities that would result in gains adding value to SKP and hence, the value of the SKP Shares. If the Purchased Shares are cancelled, the Company's total issued share capital shall be diminished by the shares so cancelled pursuant to Section 127(14) of the Act.

The treatment of the Purchased Shares to be held as treasury shares, either distributed as share dividends or resold on Bursa Securities by the Company, or both, or transfer all/any of the treasury shares for the purposes of or under an employees' share scheme (i.e. SIS) or transfer all/any of the treasury shares as purchase consideration or subsequently be cancelled.

In the event the Company decides to purchase its own Shares, the Company will announce on the day the purchase is made providing details of the description of the shares purchased, the number of the shares purchased, the price of each share or, where relevant, the highest and lowest price paid, the total consideration paid and the shares purchased either held as treasury shares or proposed to be cancelled.

In the event the Company decides to resell the Company's treasury shares, the Company will announce on the day the resale is made providing details of the description of the shares resold, the number of the shares resold, the resale price of each share resold or, where relevant, the highest and lowest resale price paid and the total consideration received.

In the event the Company decides to transfer all or any of the treasury shares as purchase consideration in relation to any corporate transaction(s), the Company shall make the appropriate announcement(s) under Chapter 10 of the Listing Requirements.

In the event the Company decides to cancel the Company's treasury shares, the Company will announce on the day the cancellation is made providing details of the number of treasury shares, the date of cancellation and the outstanding and total issued share capital and total number of issued shares of the Company after the cancellation.

While the Purchased Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in rights, allotments and/or other distributions are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including determination of substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on a resolution at meetings of shareholders.

## **2.2 Purchase Price**

Pursuant to the provisions of Paragraph 12.17 of the Listing Requirements, the Company may only purchase its own Shares on Bursa Securities at a price which is not more than fifteen per centum (15%) above the weighted average market price of SKP Shares for the five (5) Market Days immediately before the date of the purchase(s).

Pursuant to the provisions of Paragraph 12.18 of the Listing Requirements, the Company may only resell the Purchased Shares held as treasury shares on Bursa Securities or transfer the Purchased Shares held as treasury shares pursuant to Section 127(7) of the Act, at:-

- (a) a price which is not less than the weighted average market price of SKP Shares for the five (5) Market Days immediately before the date of resale(s) or transfer(s); or
- (b) a discounted price of not more than five per centum (5%) to the weighted average market price of SKP Shares for the five (5) Market Days immediately before the resale or transfer provided that:-

- (i) the resale or transfer takes place not earlier than thirty (30) days from the date of purchase; and
- (ii) the resale or transfer price is not less than the cost of purchase of SKP Shares being resold or transferred.

## **2.3 Quantum**

The maximum aggregate number of Shares which may be purchased by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time.

As at LPD, the Company has retained 375,000 Shares purchased from open market as treasury shares.

As at LPD, the total number of issued shares of the Company comprise 1,562,735,337 ordinary shares, therefore, the number of SKP Shares which may be purchased by the SKP is up to 156,273,533 SKP Shares representing 10% of the total number of issued shares of SKP pursuant to the Proposed Renewal of Share Buy-Back Authority. As such, the balance of shares that can be purchased by the Company taking into account the total cumulative treasury shares held up to LPD is 155,898,533 SKP Shares.

Nevertheless, the actual number of Shares to be purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back Authority, the total amount of funds involved for each purchase and the timing of the purchase(s) will depend on inter-alia, the market conditions and sentiments of the stock market as well as the availability of financial resources of the Company and the availability of the retained profits of the Company

## **2.4 Funding**

The Proposed Renewal of Share Buy-Back Authority may be funded through internally-generated funds and/or bank borrowings as long as the purchase is backed by an equivalent amount of retained profits of the Company, subject to compliance with the prevailing laws.

The Proposed Renewal of Share Buy-Back Authority, if funded through internally-generated funds, is not expected to have a material impact on the cash flow position of the Company. In the event the Proposed Renewal Share Buy-Back Authority is to be financed by bank borrowings, the Board will ensure that the Company has the capability to repay such borrowings and that such repayment will not have a material effect on the cash flow of the Company.

It is envisaged that the source of funding for the Proposed Renewal of Share Buy-Back Authority will be generated via internally generated funds. The actual amount of funds to be utilised for the Proposed Renewal of Share Buy-Back Authority will only be determined later depending on the actual number of SKP Shares to be purchased, availability of funds at the time of purchase(s) and other relevant factors.

The maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back Authority shall not exceed the aggregate of retained profits of the Company based on the latest audited financial statement and/or the latest management accounts of the Company (where applicable) available. As at 31 March 2021 and the latest management account of the Group up to 30 June 2021, being the latest available audited financial statements and management accounts, respectively, the retained profits of the Company are as follows:-



	Audited	Unaudited
	As at 31 March 2021 RM'000	As at 30 June 2021 RM'000
<b><u>Company Level</u></b>		
Retained Profits	27,938	27,789
<b><u>Group Level</u></b>		
Retained Profits	508,303	540,759

Notwithstanding the above, the Company will ensure that there are sufficient retained profits at Company level prior to the share buy-back. In addition, the Company will ensure that the maximum amount of funds to be utilised for the Proposed Renewal of Share Buy-Back Authority shall not exceed the aggregate of the retained profits of the Company at the time of purchase.

As required under Section 112(2) of the Act, the Company will have to perform a solvency test to satisfy the following conditions:-

- (a) the share buy-back would not result in the Company being insolvent and its capital being impaired at the date of the solvency statement; and
- (b) the Company will remain solvent after each buy-back during the period of six (6) months after the date of the declaration made by a majority of the Directors.

## 2.5 Public Shareholding Spread

As at LPD, the public shareholding spread of the Company was 59.95%. The Company will not undertake any share buy-back if that will result in breach of Paragraph 8.02(1) of the Listing Requirements which requires the Company to maintain a shareholding spread of at least 25% of its total listed shares. The Board is mindful of the shareholding spread requirement and will continue to be mindful of the requirement when making any purchase of SKP Shares by the Company.

## 3.0 RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back, if implemented, is expected to have the following potential benefits to the Company and its shareholders:-

- (a) the Company is able to utilise its surplus financial resources which are not immediately required for other uses to purchase its own shares from the open market;
- (b) where the Purchased Shares are retained as treasury shares, the Board would have an option to distribute the Purchased Shares as shares dividends to reward shareholders of the Company;
- (c) the Purchased Shares may be held as treasury shares and resold in the open market to reap potential capital appreciation of the Shares without affecting the total number of issued shares of the Company;
- (d) the Company may be able to reduce any unwarranted volatility of its Shares and assist to stabilise the supply, demand and price of its Shares in the open market, thereby supporting the fundamental value of its Shares; and
- (e) Where the Directors resolve to cancel the SKP Shares so purchased, the Company expects to enhance the EPS of the Group as a result of a lower number of SKP Shares being taken into account for the purpose of computing the EPS, thereby enabling long term and genuine investors to enjoy any potential corresponding increase in the value of their investments in the Company.

#### **4.0 POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The potential advantages of the Proposed Renewal of Share Buy-Back Authority to the Company and its shareholders are as follows:-

- (a) The proposed purchase will also result in reduction of the share capital base which may enhance the possibility of declaring a higher rate of dividend in the future.
- (b) If the Purchased Shares are retained as treasury shares, it will provide the Board with opportunities to increase and improve its financial resources if the Purchased Shares are resold at a price higher than the purchase price.
- (c) The Purchased Shares if distributed to shareholders as share dividends shall serve as a reward to shareholders.
- (d) The proposed purchase will allow the Company to take preventive measures against speculation particularly when the SKP Shares are undervalued and this would, in turn, expected to stabilise the market price of the SKP Shares and hence, enhance investors' confidence.
- (e) It gives the Company flexibility in attaining its desired capital structure.

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority to the Company and its shareholders are as follows:-

- (a) It will reduce the financial resources of the Group and may result in the Group foregoing better investment opportunities in future or, at least deprive SKP Group of interest income that can be derived from the funds utilised for the Proposed Renewal of Share Buy-Back Authority.
- (b) As the Proposed Renewal of Share Buy-Back Authority can only be made out of retained profits of the Company, it may result in the reduction of financial resources available for cash distribution to shareholders in the immediate future.

Nevertheless, the Proposed Renewal of Share Buy-Back Authority is not expected to have any potential material disadvantages to the Company and its shareholders, as any share buy-back will be undertaken only after in-depth consideration of the financial resources of SKP and the resultant impact on its shareholders. The Board, in exercising any decision in implementing the Proposed Renewal of Share Buy-Back Authority will be mindful of the interests of the Company and its shareholders.

#### **5.0 FINANCIAL EFFECTS TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

##### **5.1 Share Capital**

The effect of the Proposed Renewal of Share Buy-Back Authority on the total number of issued Shares of the Company will depend on whether the SKP Shares purchased are cancelled or retained as treasury shares.

The pro-forma effects of the Proposed Renewal of Share Buy-Back on the total number of issued Shares of the Company as at the LPD are as follows:-

	<b>No. of SKP Shares</b>
Total number of issued shares as at the LPD	1,562,735,337*
Assuming the Proposed Renewal of Share Buy-Back is implemented in full (i.e., up to 10%)	(156,273,533)
<b>Total number of issued shares after the Proposed Renewal of Share Buy-Back Authority (assuming the Purchased Shares are subsequently cancelled in full)</b>	<b>1,406,461,804</b>

*\* Including 375,000 SKP Shares which have been purchased and retained as treasury shares as at LPD.*

If the SKP Shares so purchased are retained as treasury shares, the total number of issued shares of the Company will not be reduced but the rights attaching to the treasury shares as to voting, dividends and participation in other distributions or otherwise will be suspended. While these SKP Shares remain as treasury shares, the Act prohibits the taking into account of such shares in calculating the number of percentage of shares in the Company for a purpose whatsoever including substantial shareholdings, takeovers, notices, requisitioning of meetings, quorum for meetings and the result of votes on resolutions.

## **5.2 NA**

The effects of the Proposed Renewal of Share Buy-Back Authority on the NA per share of the SKP Group are dependent on the number of SKP Shares which the Company will buy back, purchase price of the SKP Shares at the time of buy back, the treatment of the shares so purchased and the funding cost, if any. If all SKP Shares so purchased are cancelled, the consolidate NA per share of the Group is likely to be reduced if the purchase price exceeds the NA per share, whereas the NA per share of the Group will increase if the purchase price is less than the NA per share of the Group at the time of purchase.

For Purchased Shares which are kept as treasury shares, upon resale, the NA per share of the Group would increase assuming that a gain has been realised or decrease if a loss is realised. If treasury shares are distributed as share dividends, the NA of the Group would decrease by cost of the treasury shares.

## **5.3 Working capital**

The Proposed Renewal of Share Buy-Back Authority, as and when implemented, will reduce the working capital and cash flow of SKP Group, the quantum of which depends on, amongst others, the purchase price of the SKP Shares and the number of SKP Shares that would be purchased.

For Purchased Shares which are kept as treasury shares, upon resale, the working capital and the cash flow of the Group will increase upon the receipt of the proceeds of the resale. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the treasury shares and the number of treasury shares resold.

## **5.4 Earnings**

Assuming that the Purchased Shares under the Proposed Renewal of Share Buy-Back Authority are cancelled, the Proposed Renewal of Share Buy-Back Authority may increase the EPS of SKP Group. Similarly, on the assumption that the Purchased Shares are treated as treasury shares and subsequently resold, the extent of the effect on earnings of SKP Group will depend on the actual selling price and number of treasury shares resold and the effective gain arising. In the event the Purchased Shares are held as treasury shares, the effective reduction in the total number of issued Shares of SKP pursuant to the Proposed Renewal of Share Buy-Back Authority would generally, all else being equal, increase the consolidated EPS of the Company.

## **5.5 Dividends**

The Proposed Renewal of Share Buy-Back is not expected to have any impact on the policy of the Board in recommending dividends to the shareholders of SKP. As stated in Sections 3 and 4 of this Statement, the Board may have the option to distribute future dividends in the form of the treasury shares purchased pursuant to the Proposed Renewal of Share Buy-Back Authority.

## **5.6 Gearing**

The effect of the Proposed Renewal of Share Buy-Back Authority on the gearing of the Group will depend on the proportion of borrowings utilised to fund any purchase of SKP Shares. At this juncture, the Company has not determined whether to use any form of borrowings for purposes of the Proposed Renewal Share Buy-Back Authority.

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## 6.0 SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the Company's Register of Directors' shareholdings and Register of substantial shareholders' shareholdings as at the LPD and assuming that the Proposed Renewal of Share Buy-Back Authority is implemented in full (up to 10% of the total number of issued Shares) and that the Purchased Shares are from shareholders other than the existing Directors and substantial shareholders of SKP, the effect of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the existing Directors and substantial shareholders of SKP by virtue of Section 127(9) of the Act are as follows :-

	Shareholdings as at the LPD <sup>1</sup>				After the Proposed Share Buy-Back Authority <sup>2</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Directors</b>								
Dato' Gan Kim Huat	69,856,647	4.471	555,511,034 <sup>3</sup>	35.556 <sup>3</sup>	69,856,647	4.967	555,511,034 <sup>3</sup>	39.497
Gan Poh San	78,118,000	5.000	255,569,474 <sup>4</sup>	16.358 <sup>4</sup>	78,118,000	5.554	255,569,474 <sup>4</sup>	18.171
Koh Chin Koon	-	-	-	-	-	-	-	-
Koh Song Heng	-	-	-	-	-	-	-	-
Goh Kah Im	-	-	-	-	-	-	-	-
Anita Chew Cheng Im	-	-	-	-	-	-	-	-
<b>Major shareholders</b>								
Beyond Imagination Sdn Bhd	225,302,550	14.421	-	-	225,302,550	16.019	-	-
Kumpulan Wang Persaraan (Diperbadankan)	115,112,875	7.368	37,642,225	2.409	115,112,875	8.185	37,642,225	2.676
Employees Provident Fund Board	89,558,675	5.732	-	-	89,558,675	6.368	-	-
Dato' Gan Kim Huat	69,856,647	4.471	555,511,034 <sup>3</sup>	35.556 <sup>3</sup>	69,856,647	4.967	555,511,034 <sup>3</sup>	39.497 <sup>3</sup>
Gan Poh San	78,118,000	5.000	255,569,474 <sup>4</sup>	16.358 <sup>4</sup>	78,118,000	5.554	255,569,474 <sup>4</sup>	18.171 <sup>4</sup>
Renown Million Sdn. Bhd.	127,212,435	8.142	-	-	127,212,435	9.045	-	-
Graceful Assessment Sdn. Bhd.	94,337,375	6.038	-	-	94,337,375	6.707	-	-

Notes:

- (1) Calculation derived after deducting the Treasury Shares of 375,000 as at LDP.
- (2) Based on the assumption that the Proposed Renewal of Share Buy-Back Authority is implemented in full (up to 10% of the total number of issued Shares, i.e. 156,273,533).
- (3) Deemed interest by virtue of shares held through Renown Million Sdn. Bhd., Beyond Imagination Sdn. Bhd., Graceful Assessment Sdn. Bhd. and Zenith Highlight Sdn. Bhd., in accordance with Section 8 of the Companies Act 2016 and shareholding held by his sons.
- (4) Deemed interest by virtue of shares held through Beyond Imagination Sdn. Bhd. and Zenith Highlight Sdn. Bhd., in accordance with Section 8 of the Companies Act 2016.

## 7.0 IMPLICATIONS OF THE RULES ON TAKE-OVERS

If as a result of the Proposed Renewal of Share Buy-Back Authority, (i) a shareholder who holds less than 33% of the voting shares of SKP has inadvertently increased his shareholding to more than 33%; or (ii) a shareholder who holds more than 33% but less than 50% of the voting shares of SKP has inadvertently increased his shareholding by 2% in any six-months period, the said shareholder will be obliged under Rule 4.01 of the Rules on Take-Overs to make a Mandatory Offer (“MO”) for the remaining SKP Shares not held by him. Notwithstanding the above, the said shareholder is allowed to make an application to the Securities Commission Malaysia for a waiver from implementing an MO under Rule 4.15 of the Rules on Take-Overs.

It is not the intention of the Company to cause any shareholder to trigger an obligation to undertake an MO under the Rules on Take-Overs and the Company will be mindful of the above implications of the Rules on Take-Overs in making any purchase of its own shares under the Proposed Renewal of Share Buy-Back Authority.

## 8.0 PURCHASE OF SHARES, RESALE, CANCELLATION AND/OR TRANSFER OF TREASURY SHARES MADE IN THE PREVIOUS 12 MONTHS

As at LPD, the Company held 375,000 treasury shares, and the Company had not purchased, cancelled and/or resold any SKP Shares or treasury shares in the previous twelve (12) months preceding the date of this Statement.

## 9.0 HISTORICAL SHARE PRICES

The monthly highest and lowest closing prices of SKP Shares as traded on Bursa Securities for the past twelve (12) months are as follows:-

	HIGHEST (RM)	LOWEST (RM)
<b>2020</b>		
August	1.30	1.12
September	1.48	1.16
October	1.51	1.40
November	1.63	1.41
December	1.79	1.61
<b>2021</b>		
January	1.86	1.55
February	1.96	1.78
March	1.90	1.68
April	1.94	1.66
May	1.68	1.29
June	1.80	1.56
July	1.78	1.60

The last transacted market price of SKP Shares on the LPD was RM1.66 per Share, prior to the printing of this Statement.

(Source: <https://quotes.wsj.com>)

## 10.0 DIRECTORS' AND/OR MAJOR SHAREHOLDERS INTERESTS

Save for the proportionate increase in percentage of shareholdings and/or voting rights of shareholders of the Company as a result of the Proposed Renewal of Share Buy-Back Authority as set out in **Section 6.0** of this Statement, none of the Directors and/or major shareholders of the Company and/or persons connected with them have any interests, direct or indirect, in the proposed purchase of Shares or resale of treasury shares, if any, in the future.

#### **11.0 APPROVAL REQUIRED**

The Proposed Renewal of Share Buy-Back Authority is subject to the approval of the shareholders of SKP at the forthcoming AGM of the Company to be convened or at any adjournment thereof. Save for the approval of the shareholders of SKP, there are no other approvals required for the Proposed Renewal of Share Buy-Back Authority.

#### **12.0 DIRECTORS' RECOMMENDATION**

The Board after having considered all aspects of the Proposed Renewal Share Buy-Back Authority is of the opinion that the Proposed Renewal Share Buy-Back Authority is fair, reasonable and in the best interests of the Company and accordingly recommend that you vote in favour of the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority to be tabled at the AGM.

#### **13.0 FURTHER INFORMATION**

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

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## FURTHER INFORMATION

### 1. DIRECTORS' RESPONSIBILITY STATEMENT

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

### 2. MATERIAL LITIGATIONS

As at 1 August 2021, being the latest practicable date of this Statement, neither the Company nor its subsidiary companies is engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiaries and the Board is not aware of any proceeding pending or threatened or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position or business of the Company and/or its subsidiaries.

### 3. MATERIAL CONTRACTS

There are no material contracts (including contracts not in writing), not being contracts in the ordinary course of business which have been entered into by the Company or its subsidiaries within two (2) years immediately preceding on the date of this Statement.

### 4. DOCUMENTS FOR INSPECTION

In view of the outbreak of Coronavirus Disease (COVID-19) pandemic, the Government of Malaysia has imposed different levels of Movement Control Order ("**MCO**"), i.e., MCO, Emergency MCO, Conditional MCO, Recovery MCO and Full MCO, to restrict mass movement, resulting in the mandatory closure of the Registered Office of our Company. As at the date of this Circular, the Malaysian Government announced that the Full MCO shall continue to a further date to be determined later ("**Date of Upliftment of Full MCO**") and hence, the Registered Office of our Company shall remain closed until further notice.

Copies of the following documents are made available for inspection at our Registered Office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, during normal business hours from Monday to Friday (except public holidays) from the Date of Upliftment of Full MCO up to the date of the forthcoming AGM:-

- (a) Constitution of SKP;
- (b) The audited consolidated financial statements of SKP for the past two (2) financial years ended 31 March 2020 and 31 March 2021; and
- (c) The latest unaudited consolidated financial results of SKP for the period ended 30 June 2021.

In view of the abovementioned uncertainty, it is recommended that prior appointment/ notification being made prior to the inspection of documents at the Registered Office of our Company (to ascertain the opening date(s)/ business hours) by email to [info@sshshb.com.my](mailto:info@sshshb.com.my).