

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused the contents of this Circular prior to its issuance as it is an exempt document pursuant to the provisions of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

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**WANG-ZHENG BERHAD**

[Registration No. 200301009817 (612237-K)]  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

- I. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE"); AND**
- II. PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES IN THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

The resolutions in respect of the above Proposals will be tabled as special Business at the Twenty-Second (22nd) Annual General Meeting ("22nd AGM") of the Company will be held at Royal Selangor Club, Dewan Tan Sri Hamzah at 1st Floor, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 27 May 2025 at 10.30 a.m. or any adjournment thereof

The Notice of AGM and the Proxy Form are enclosed in this Circular and can be downloaded from the Company's website at <https://www.wangzhengberhad.com/investor-relation> or Bursa Securities' website at <https://www.bursamalaysia.com>. For further information, please refer to the Notice of AGM and Administrative Guide on the AGM.

If you wish to appoint a proxy to attend, participate, speak (in the form of real time submission of typed texts) and vote on your behalf at the AGM, you may deposit your Proxy Form with the Company's Poll Administrator, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof. Alternatively, the Proxy Form can be submitted electronically via [BSR.Helpdesk@boardroomlimited.com](mailto:BSR.Helpdesk@boardroomlimited.com) before the Proxy Form lodgement cut-off time as stated below. The lodging of the Proxy Form will not preclude you from attending, participating, speaking (in the form of real time submission of typed texts) and voting at the AGM should you subsequently decide to do so.

Last date and time for lodging the Proxy Form : Sunday, 25 May 2025 at 10.30 a.m.

Date and time of the AGM : Tuesday, 27 May 2025 at 10.30 a.m.

This Circular is dated 28 April 2025

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## DEFINITIONS

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For the purposes of this Circular, except where the context otherwise requires, the following definitions shall apply:

“Act”	: The Companies Act, 2016 as amended from time to time, and includes every statutory modification or any re-enactment thereof for the time being in force
“AGM”	: Annual General Meeting of our Company
“Audit Committee”	: The Audit Committee of WZB
“Board”	: The Board of Directors of WZB
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“CDS”	: Central Depository System
“Circular”	: Circular dated 28 April 2025 comprising Letter to Shareholders and appendices in relation to the Proposed Renewal of Shareholders’ Mandate and Proposed Renewal of Share Buy-Back Authority
“Code”	: The Malaysian Code on Take-Overs and Mergers 2016, including any amendments thereto that may be made from time to time
“Constitution”	: Constitution of WZB
“Director”	: Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of WZB or any other company which is a subsidiary of WZB or a holding of WZB
“EGM”	: Extraordinary General Meeting
“EPS”	: Earnings per Share
“Hengan”	: Hengan International Group Company Limited
“Hengan Group”	: Hengan and its subsidiary
“Interested Director”	: Director who is deemed to be Related Party and are interested in the Proposed New Shareholders’ Mandate
“Interested Major Shareholder”	: Major Shareholder who is deemed to be Related Party and is interested in the Proposed New Shareholders’ Mandate
“Interested Persons Connected”	: Shall have the meaning given in Paragraph 1.01 of the MMLR

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**DEFINITIONS (CONT'D)**

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- “LPD” : 28 March 2025, being the latest practicable date prior to the printing of this Circular
- “Major Shareholder(s)” : A person who has an interest or interests in one or more voting shares in a company and the number or the aggregate number of those shares is:
- (a) 10% or more of the total number of voting shares in the Company; or
  - (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.
- For the purpose of this definition, “interest in shares” has the meaning given in Section 8 of the Act and for the purpose of the Proposed New Shareholders’ Mandate, 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 WZB or its subsidiaries or holding company.
- “Market Day” : A day which Bursa Securities is open for the trading of securities
- “MMLR” : Main Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time.
- “NA” : Net assets attributable to ordinary equity holders of WZB
- “Person Connected” : Pursuant to Paragraph 1.01 of the MMLR, a person connected in relation to a Director or Major Shareholder is a person who falls under any one of the following categories:
- (a) a family member of the Director or Major Shareholder which shall include the spouse, parent, child (including adopted child and stepchild), brother, sister, and the spouse of the child (including adopted child and stepchild), brother or sister;
  - (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director, Major Shareholder or a family member of the Director or Major Shareholder, is the sole beneficiary;
  - (c) a partner of the Director, Major Shareholder or a partner of a person connected with that Director or Major Shareholder;
  - (d) a person, or 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 Director or Major Shareholder;

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**DEFINITIONS (CONT'D)**


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	(e)	a person, or the body corporate or its directors, in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
	(f)	a body corporate in which the Director, Major Shareholder or persons connected with him are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate;
	(h)	a body corporate which is a related corporation.
“Proposed Renewal of Shareholders’ Mandate”	:	Proposed renewal of existing shareholders’ mandate for WZB Group to enter into RRPT(s) of a revenue or trading nature
“Proposed Renewal of Share Buy-Back Authority”	:	Proposed renewal of the authority for the purchase by WZB of up to ten percent (10%) of the issued share capital of the Company
“Proposals”	:	Proposed Renewal of Shareholders’ Mandate and Proposed Renewal of Share Buy-Back Authority, collectively
“Purchased WZB Shares”	:	Shares purchased by WZB pursuant to Section 127 of the Act
“Related Party(ies)”	:	Director(s), major shareholder(s) or person(s) connected with such director(s) or major shareholder(s) of WZB
“RRPT(s)”	:	A transaction entered into by the Company or its subsidiaries which involves the interest, direct or indirect, of a Related Party, which is recurrent, of a revenue or trading nature and which is necessary for day to day operations and which are in the ordinary course of business of the Company or its subsidiaries
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“Shareholders”	:	Shareholders of WZB
“Substantial Shareholder(s)”	:	A person who has interest or interests in one or more voting Shares in the Company and the number or the aggregate number of such shares, is not less than 5% of the total number of all the voting Shares in the Company
“Tax”	:	Goods and Services Tax or Sales and Services Tax, whichever is applicable
“WZB” or the “Company”	:	Wang-Zheng Berhad
“WZB Group” or “the Group”	:	WZB and its subsidiaries

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**DEFINITIONS (CONT'D)**

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“WZB Share(s)” or  
“Share(s)” : Ordinary Shares in WZB

“Annual Report” : 2024 Annual Report of WZB issued for the financial year ended 31  
December 2024

All references to “we”, “us”, “our” and “ourselves” of this Circular are to WZB and references to “our Group” mean WZB Group. All references to “you” of this Circular are to the shareholders of our Company.

Words importing the singular shall, where applicable, include the plural and vice versa, and words referring to masculine gender shall, where applicable, include the feminine and/or neuter gender, and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference of this Circular to any enactment, rules or legislation is a reference to that enactment, rules or legislation currently enforced including any amendment or re-enactment. Any reference to time or day of this Circular shall be a reference to Malaysian time, unless otherwise specified.

Any discrepancy in the tables and statements included of this Circular between the amounts stated and the totals thereof are due to rounding.

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**WANG-ZHENG BERHAD**  
[Registration No. 200301009817 (612237-K)]  
(Incorporated in Malaysia)

**Registered Office**

12th Floor, Menara Symphony  
No. 5, Jalan Professor Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

28 April 2025

**Board of Directors**

Mr. Hui Ching Chi (Executive Director cum Group Chief Executive Officer)  
Mr. Li Wai Leung (Executive Director)  
Ms. Wong Pui Wai Nancy (Executive Director)  
Mr. Sze Man Bok (Non-Independent Non-Executive Director)  
Maj Gen Dato' Pahlawan Dr Mohana Dass A/L Ramasamy (Rtd) (Non-Independent Non  
Executive Director)  
Mr. Yap Ping Hong (Independent Non-Executive Director)  
Mr. Low Gay Teck (Independent Non-Executive Director)  
Mr. Kington Tong Kum Loong (Independent Non-Executive Director)

**To: The Shareholders of Wang-Zheng Berhad**

Dear Sir/Madam,

- I. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**
- II. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

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**1. INTRODUCTION**

- 1.1 At the Twenty-First (21st) AGM of the Company held on 31 May 2024, the Company sought and obtained approval from its shareholders the general mandate for WZB Group to enter into RRPT(s) of a revenue or trading nature in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public and which are necessary for WZB Group's day to day operations. The aforesaid mandate shall, in accordance with the

Listing Requirements, lapse at the conclusion of the forthcoming 22nd AGM of the Company unless authority for its renewal is obtained from the Shareholders.

On 17 April 2025, the Board had announced that WZB proposed to seek its shareholders' approval for the renewal of the existing shareholders' mandate for RRPT(s) pursuant to Paragraph 10.09 of the Listing Requirements.

- 1.2 At the AGM of the Company held on 31 May 2024, the Company sought and obtained the approval of its shareholders to purchase up to ten percent (10%) of the total number of issued shares of the Company at any point in time. The aforesaid shareholders' approval for the Company to purchase its own shares is subject to the annual renewal and will lapse at the conclusion of the forthcoming AGM unless such authority is renewed by an ordinary resolution passed at the general meeting.

On 17 April 2025, the Board had announced that WZB proposed to seek the approval of its shareholders for the renewal of the Company's authority to purchase up to ten percent (10%) of the total number of issued shares of WZB. The Proposed Renewal of Share Buy-Back Authority is subject to compliance with Section 127 of the Act and any prevailing laws, orders, requirements, guidelines, rules and regulations issued by any relevant authorities at the time of purchase.

The purpose of this Circular is to provide you with details of the Proposals and to seek your approval for the ordinary resolution to be tabled at the forthcoming AGM to be held at Royal Selangor Club, Dewan Tan Sri Hamzah at 1st Floor, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 27 May 2025 at 10.30 a.m. The Notice of AGM together with the Proxy Form are enclosed in the Annual Report for your reference and perusal.

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF PART A OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION TO BE TABLED AT THE FORTHCOMING AGM.**

## **2. DETAILS OF THE PROPOSALS**

### **2.1 Proposed Renewal of Shareholders' Mandate**

#### **2.1.1 Provision under MMLR**

- (a) Paragraph 10.09(1) of the MMLR provides, among others, that a listed issuer must immediately announce a RRPT in relation to a listed issuer with an issued and paid-up capital of RM60.0 million and above:
  - (i) the consideration, value of the assets, capital outlay or cost of the RRPT is RM1.0 million or more; or
  - (ii) the percentage ratio of such RRPT is one percent or more, whichever is the higher.
- (b) Paragraph 10.09(2) of the MMLR provides that a listed issuer may seek a shareholder's mandate in respect of RRPTs subject to the following:



- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the MMLR;
- (iii) the listed issuer's circular to shareholders for the shareholders' 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;
- (iv) in a meeting to obtain shareholders' mandate, relevant related party must comply with the following requirements:
  - (aa) a related party with any interest, direct or indirect, must not vote on the resolution in respect of the related party transaction;
  - (bb) an interested related party who is a Director or Major Shareholder, must ensure that Persons Connected with it abstain from voting on the resolution in respect of the related party transaction; and
  - (cc) where the interested related party is a Person Connected with a Director or Major Shareholder, such Director or Major Shareholder must not vote on the resolution in respect of the related party transaction; and
- (v) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPTs entered into by the listed issuer, exceeds the estimated value of the RRPTs disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where a listed issuer has procured a shareholders' mandate pursuant to Paragraph 10.09(2) of the MMLR, the provisions of Paragraph 10.08 of the MMLR will not apply. The Proposed Renewal of Shareholders' Mandate, if approved, shall take effect from the date of the passing of the ordinary resolution proposed at the forthcoming AGM and shall continue to be in force and effect until:

- (a) the conclusion of the next AGM of the Company, at which time the Proposed Renewal Shareholders' Mandate will lapse, unless by a resolution passed at the next AGM, whereby the authority is renewed; or
- (b) the expiration of the period within which the next AGM is required to be held, pursuant to section 340(2) of the Act, (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

## 2.1.2 Principal Activities of WZB Group

The principal activity of WZB is investment holding while its subsidiary companies are involved in the manufacturing and processing of fibre-based products, which include disposable diapers, cotton products, sanitary protection, tissue products, and trading of processed papers. The details of WZB's subsidiaries as well as their principal activities as at the LPD are set out in the table below:

<b>Name of company</b>	<b>Effective equity interest (%)</b>	<b>Principal Activities</b>
Carefeel Cotton Industries (M) Sdn Bhd	100	Manufacturing of facial cotton, tissues and other related products
Modern Alpine Sdn Bhd	100	Trading and processing in paper and related products
New Top Win Corporation Sdn Bhd	100	Importing, processing and trading of papers
Quality Hero Corporation Sdn Bhd	100	Manufacturing of adult and baby diapers, sanitary napkins, tissue paper and its related products
Wang-Zheng Corporation Sdn Bhd	100	Distribution of disposable fibre-based products.
Wonderful Eden Sdn Bhd	100	Investment holding. The Company has not commenced operations since its incorporation

<b>Name of company</b>	<b>Effective equity interest (%)</b>	<b>Principal Activities</b>
Wang-Zheng Hong Kong Trading Co., Limited	100	Importing, exporting, trading and procurement of personal hygiene products and paper products as well as providing services of sales and marketing, and supply chain management

Due to the diversity of WZB Group, it is anticipated that WZB Group would, in the normal course of business, continue to enter into transactions with the Related Parties, details of which are set out in Appendix I of this Circular. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

The Board proposes to seek the shareholders' approval for the Proposed Renewal of Shareholders' Mandate for the WZB Group to enter into transactions in the normal course of business within the classes of Related Parties set out in Appendix I of this Circular, provided such transactions are entered into at arm's length and on normal commercial terms which are not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders. Such mandate will enable the Group to enter into the RRPT(s) without the necessity, in most instances, to make the otherwise required announcement or to convene meetings in order to procure specific prior approval of its shareholders. The RRPT(s) will also be subject to the review procedures set out in Appendix I of this Circular.

### **2.1.3 Related Parties**

The Proposed Renewal of Shareholders' Mandate will apply to the following classes of Related Parties:

- (a) Major Shareholders;
- (b) Directors; and
- (c) Persons Connected to such Major Shareholders and/or Directors.

### **2.1.4 Validity Period of the Proposed Renewal of Shareholders' Mandate**

The Proposed Renewal of Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Renewal of Shareholders' Mandate, if approved by the shareholders, shall take effect from the passing of the ordinary resolution proposed at the forthcoming AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of WZB following the general meeting at which such shareholders' mandate was passed, at which time it will lapse, unless by a resolution passed at the general 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 after the date is required to be held pursuant to Section 340 (2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

Thereafter, approval from shareholders will be sought for the renewal of the Proposed Renewal of Shareholders' Mandate.

#### **2.1.5 RRPTs**

The details of the RRPTs under the Proposed Renewal of Shareholders' Mandate are described in Appendix I of this Circular.

#### **2.1.6 Details of Overdue Trade Receivables**

As at the financial year ended 31 December 2024, there is no amount due and owing to WZB Group which has exceeded the credit term given arising from the RRPT(s) as per Appendix I of this Circular.

#### **2.1.7 Review Methods or Procedures for the RRPTs**

WZB Group has established various methods and procedures to ensure the RRPTs are undertaken on arms' length and on normal commercial terms, which are consistent with WZB Group's usual business practices and policies, on terms which are not more favourable to the Related Parties than those extended to the public and are not detrimental to the minority shareholders.

The review and disclosure procedures are as follows:

- (a) the Related Parties, interested Directors and Persons Connected will be advised that they are subject to the shareholders' mandate and will also be advised of the review and disclosure procedures;
- (b) the transaction prices, terms and conditions which are market driven are to be determined at arms' length on a customer/supplier relationship basis at mutually agreed rates after due consideration of benefits to be derived from the transaction, under similar commercial terms for transactions with unrelated third parties, which depend on demand and supply, quality, level of service and other related factors;

- (c) some transactions may be on a cost recovery basis, being recovery of part of the costs for sharing or provision of some services or on a negotiated basis where both parties would contract on terms which are mutually acceptable and beneficial;
- (d) the management of the WZB Group are cognisant that, as in the past, all RRPT(s) are required to be undertaken on an arm's length basis and on normal commercial terms. Where practicable and feasible, quotation and/or tenders will be obtained from at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of produces/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Group based on those offered by/to other unrelated parties for the same or substantially similar type of transaction to ensure that the RRPT(s) are not detrimental to the WZB Group;
- (e) where RRPT(s) is one with a value equal to or in excess of RM1.0 million, it will be reviewed and approved by the Audit Committee or Directors of the Company who has no interest in the transaction. Where the RRPT(s) is one with a value below RM1.0 million, it will be reviewed and approved by the Executive Director or Group Chief Executive Officer or Executive Director or the Board; records will be maintained by the respective companies to capture all RRPT(s) which are entered pursuant to the shareholders' mandate;
- (f) records will be maintained by the respective companies to capture all RRPT(s) which are entered pursuant to the shareholders' mandate; and
- (g) the Board shall have overall responsibility for the determination of the review procedures. If a member of the Board and Audit Committee has an interest in the transaction to be reviewed by the Board and Audit Committee, as the case may be, he will abstain from any decision making by the Board or Audit Committee in respect of the said transaction.

#### **2.1.8 Statement by Audit Committee**

The Audit Committee has the overall responsibility of determining whether the procedures for reviewing all RRPT(s) are appropriate. The Audit Committee will review and ascertain at least once a year whether the procedures established to monitor RRPT(s) have been complied with. If it is determined that the procedures stated in Section 2.1.7 are inadequate to ensure that (i) the RRPT(s) will be conducted at arms' length and on normal commercial terms and (ii) such transactions are not prejudicial to the interest of the shareholders, the Company will obtain a fresh shareholders' mandate based on the new procedures.

The Audit Committee will also have the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such requests to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

The Audit Committee of the Company has seen and reviewed the procedures set out in Section 2.1.7 and is of the view that WZB has in place adequate procedures and processes to monitor, track and identify RRPT(s) a timely and orderly manner and is of the opinion that review procedures are satisfactory and the RRPT(s) will be carried out at arms' length and in accordance with WZB Group's normal commercial terms, and hence, will not be prejudicial to the shareholders or disadvantageous to WZB and not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of WZB. The review of these procedures and processes is carried out at least once a year or when deemed necessary by the Audit Committee.

#### **2.1.9 Disclosure of Recurrent Related Party Transactions in Annual Report**

Disclosure will be made in the annual report of the Company in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPT(s) entered into during the financial year based on the following information:

- (a) the type of the RRPT(s) made; and
- (b) the names of the Related Parties involved in each type of the RRPT(s) made and their relationships with WZB Group.

The above disclosure will be made in the Company's annual report for each subsequent financial year after the Proposed Renewal of Shareholders' Mandate had been obtained.

### **2.2 Proposed Renewal of Share Buy-Back Authority**

#### **2.2.1 Details of the Proposed Renewal of Share Buy-Back Authority**

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

The Board is proposing to seek the shareholders' approval for the renewal of the authority for WZB to purchase its own Shares for an aggregate amount of up to ten percent (10%) of the total number of issued shares at any point in time during the authorised period, subject to compliance with the provision of the Act, the Listing Requirements and/or any other relevant authorities.

## **2.2.2 Maximum number or percentage of WZB Shares to be acquired**

For illustrative purposes, as at LPD, the number of issued share capital of WZB stood at 160,302,333 ordinary shares and 945,933 Shares are held as treasury shares. Assuming no further WZB Shares are issued, the maximum number of shares that can be purchased pursuant to the Proposed Renewal of Share Buy-Back Authority is 160,302,333 WZB Shares, which would include the 945,933 Shares already held as treasury shares

## **2.2.3 Duration of the Proposed Renewal of Share Buy-Back Authority**

The Proposed Renewal of Share Buy-Back Authority, once approved by the shareholders, shall take effect from the passing of the ordinary resolution pertaining thereto at the forthcoming AGM and shall continue to be in force until:

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

whichever occurs first.

The Proposed Renewal of Share Buy-Back Authority does not impose an obligation on the Company to purchase its own Shares. Rather, 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.

The purchase of such Shares will be carried out through Bursa Securities via stockbrokers appointed by the Company and the purchase is made in good faith and in the best interests of the Company.

## **2.2.4 Maximum Amount of Funds to be Allocated and the Source of Funds**

The MMLR stipulate that the proposed purchase by a listed company of its own shares must be made wholly out of retained profits based on the latest annual audited financial statements and/or the latest management accounts (where applicable) of the listed company.

Accordingly, the Board proposes that the maximum amount of funds to be allocated by the Company for the purpose of purchasing its own Shares shall not exceed the total amount of retained profits of the Company. Based on the latest audited financial statements for the financial year ended 31 December 2024, the retained profits of the Company was RM114,227,659.

The Proposed Renewal of Share Buy-Back Authority will be funded by internally generated funds and/or external borrowings or a combination of both. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending on, amongst others, the availability of internally generated funds, actual number of WZB Shares to be purchased and other relevant factors.

The actual number of WZB Shares to be purchased and/or held, and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock markets as well as the retained profits and financial resources available to the Company. In the event that the Proposed Renewal of Share Buy-Back Authority is to be partly financed by external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment will not have a material effect on the cash flow of the Group. In addition, the Board will ensure that the Company satisfy the solvency test as stated in the Section 112(2) of the Act before execution of the Proposed Renewal of Share Buy-Back Authority.

#### **2.2.5 Treatment of the Purchased WZB Shares**

The Purchased WZB Shares will be dealt by the Board in accordance with Section 127(4) of the Act, in the following manner:

- (i) cancel the WZB Shares so purchased; or
- (ii) retain the WZB Shares so purchased as treasury shares which may be distributed as share dividends to the shareholders of WZB and/or be resold on Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be cancelled subsequently; or
- (iii) combination of items (i) and (ii) above.

Accordingly, based on Section 127(7) of the Act, where such Purchased WZB Shares are held as treasury shares, the Board may, at their discretion:

- (i) distribute the Purchased WZB Shares as dividends to WZB shareholders, such dividends to be known as “share dividends”;
- (ii) resell the Purchased WZB Shares or any of the Purchased WZB Shares in accordance with the relevant rules of Bursa Securities;
- (iii) transfer the Purchased WZB Shares or any of the Purchased WZB Shares for the purpose of or under an employees’ share scheme;
- (iv) transfer the Purchased WZB Shares or any of the Purchased WZB Shares as purchase consideration;
- (v) cancel the Purchased WZB Shares or any of the Purchased WZB Shares; or



- (vi) sell, transfer or otherwise use the Purchased WZB Shares for such other purposes as the Minister charged with the responsibility for companies (as set out in the Act) may by order prescribe.

Pursuant to Section 127(8) and 127(9) of the Act, if such Purchased WZB 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 Purchased WZB Shares shall not be taken into account in calculating the number or percentage of shares or a class of shares in the Company for any purpose including determination of Substantial Shareholders, takeovers, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on a resolution at meetings of the shareholders.

An immediate announcement will be made to Bursa Securities in relation to the Shares purchased and the treatment of the Shares purchased.

The decision whether to retain the Purchased WZB Shares as treasury shares, or to cancel the Purchased WZB Shares or a combination of both, will be made by the Board at the appropriate time. An immediate announcement will be made to Bursa Securities on any purchase of Shares as well as any resale or cancellation of the Purchased WZB Shares or a combination of both.

#### **2.2.6 Purchase/Resale Price**

Pursuant to Paragraph 12.17 of the MMLR, WZB may only purchase WZB Shares at a price which is not more than fifteen percent (15%) above the weighted average share price for the five (5) Market Days immediately preceding the date of the purchase(s).

Pursuant to Paragraph 12.18 of the MMLR, WZB may only resell or transfer the Purchased WZB Shares held as treasury shares at a price which is:

- (a) not less than the weighted average share price of WZB Shares for the five (5) Market Days immediately prior to the resale; or
- (b) at a discount of not more than 5% to the weighted average share price of WZB Shares for the five (5) Market Days immediately prior to the date of resale or transfer provided that:
  - (i) the resale or transfer takes place no earlier than 30 days from the date of the purchase; and
  - (ii) the resale or transfer price is not less than the cost of purchase of the shares being resold or transferred.

The proposed purchase of WZB's own Shares and/or resale of the Purchased WZB Shares shall only be effected on the market of Bursa Securities via its automated trading system and shall exclude any direct business transactions as defined in accordance with the rules of Bursa Securities. WZB shall ensure

that all dealing(s) in its own Shares/Purchased WZB Shares are made through stock broker(s) appointed by WZB.

#### **2.2.7 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 Renewal of Share Buy-Back Authority would enable the Company to utilise its financial resources more efficiently especially where there is no immediate use and it may strengthen the consolidated EPS of the Group.
- (b) The Proposed Renewal of Share Buy-Back Authority will also provide the Company with opportunities for potential gains if the Purchased WZB Shares which are retained as treasury shares are resold at prices higher than their cost of purchase.
- (c) In any event, the Purchased WZB Shares retained as treasury shares may also be distributed as share dividends to the shareholders as a reward.
- (d) The Proposed Renewal of Share Buy-Back Authority may also stabilise the supply and demand of WZB Shares traded on Bursa Securities and reduce the volatility of the share prices. The stability of WZB Shares price is important to maintain investors' confidence and may also assist in facilitating future fund raising via the equity market.

The potential disadvantages of the Proposed Share Buy-Back to the Company and its Shareholders, are as follows:

- (a) The Proposed Renewal of Share Buy-Back Authority if implemented is expected to temporarily reduce the immediate financial resources of WZB Group.
- (b) The Proposed Renewal of Share Buy-Back Authority may also result in the Group foregoing better investment opportunities which may emerge in the future and/or any income that may be derived from other alternative uses of such funds such as deposit in interest bearing instruments.
- (c) The Proposed Renewal of Share Buy-Back Authority may also reduce the amount of resources available for distribution to the shareholders of the Company in the form of dividends as funds are utilised to purchase its own Shares.

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 it will be implemented only after careful consideration of the financial resources of the Group and its resultant impact. The Board is mindful

of the interest of the Company and the shareholders and will be prudent with respect to the above exercise.

#### **2.2.8 Public Shareholding Spread of WZB**

The Proposed Renewal of Share Buy-Back Authority is subject to the compliance with Section 127 of the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities ("Prevailing Law") at the time of the purchase including compliance with the 25% shareholding spread requirements as set out in Paragraph 8.02(1) of the MMLR.

As at LPD, the public shareholding spread of the Company is 28.33%. The public shareholding spread of the Company is expected to reduce to 26.81% assuming the Company implements the Proposed Share Buy-Back in full, i.e. up to 10% of the existing number of Shares of the Company with the Shares purchased from public and all the purchased shares are cancelled.

The Board will endeavor to ensure that the Proposed Renewal of Share Buy-Back Authority will be in accordance with the Prevailing Law at the time of the purchase including compliance with the twenty-five percent (25%) public shareholding spread as required by the Listing Requirements.

#### **2.2.9 Implication Relating to the Code**

Pursuant to the Code, a person and any parties acting in concert with him will be required to make a mandatory offer for the remaining WZB Shares not already owned by him/her/them if his/her/their stake in the Company is increased to beyond 33.0% or if his/her/their shareholdings is between 33.0% and 50.0% and increases by another 2.0% in any six (6) months period.

However, an exemption from mandatory offer obligation may be granted by the SC under the Code subject to the parties acting in concern complying with the conditions stipulated in the Code.

The Company intends to implement the Proposed Renewal of Share BuyBack Authority in the manner that will not result in any of the shareholders having to undertake a mandatory offer pursuant to the Code. In this respect, the Board will be mindful of the requirements of the Code when implementing the Proposed Renewal of Share Buy-Back Authority.

#### **2.2.10 Purchase, Resale and Cancellation of Shares Made in Previous Twelve (12) Months**

During the last twelve (12) months preceding to the LPD, a total of 472,967 treasury shares had been transferred to eligible employees via vesting of shares under the Share Grant Plan ("SGP"). The Company's SGP is governed by the By-Laws which was approved by the shareholders of the Company on 30 January 2024.

Details of the shares transferred are as follows:

Date of transfer	Number of treasury shares transferred	Transfer price per share (RM)	Total consideration (RM)
14 May 2024	472,967	0.6673^	315,610.88

^The transfer price was computed based on the 5-day volume weighted average market price/RM of WZB Shares prior to the date of offer.

As at 28 March 2025, the Company is holding a total of 945,933 WZB Shares as treasury shares.

### 3. RATIONALE AND BENEFITS OF THE PROPOSALS

#### 3.1 Proposed Renewal of Shareholders' Mandate

The Proposed New Shareholders' Mandate will enable the WZB Group to carry out RRPT(s) necessary for the Group's day-to-day operations, which are time sensitive in nature, and will eliminate the need to announce and convene separate general meetings (if applicable) from time to time to seek shareholders' mandate for such transaction. This will substantially reduce the expenses, time and other resources associated with convening of general meetings on an ad hoc basis, improve administrative efficiency and allow financial and manpower resources to be channeled towards attaining other corporate objectives.

The RRPT(s) carried out within the WZB's Group creates mutual benefits for the companies in the Group, such as expediency and increased efficiency necessary for day-to-day operations.

In addition, WZB Group has a long-standing business relationship with the Related Parties. The Board is of the view that the close co-operation and strong working relationship that exist between WZB Group and the Related Parties have over the years enabled WZB Group to benefit from better services and attention that would otherwise be derived from third parties. These close relationships have allowed for better control of supplies, quality and timeliness of completion of work.

#### 3.2 Proposed Renewal of Share Buy-Back Authority

The implementation of the Proposed Renewal of Share Buy-Back Authority is envisaged to benefit the Company and its shareholders as follows:

- (i) the Company is able to utilise its surplus financial resources more efficiently. If implemented, this may help to stabilise the supply and demand of the WZB Shares traded on Bursa Securities and thereby support its fundamental value;
- (ii) the EPS of WZB Shares and the return on equity of the Company is expected to improve as a result of a reduced share capital base;

- (iii) the Purchased WZB Shares retained as treasury shares provide the Board with an option to resell the treasury shares at a higher price and generate capital gains for the Company;
- (iv) the Purchased WZB Shares retained as treasury shares can be distributed as share dividends to the shareholders as a reward; and
- (v) the financial resources of the Company will increase if the Purchased WZB Shares held as treasury shares are resold at prices higher than the purchase price.

## **4. EFFECTS FOR THE PROPOSALS**

### **4.1 Proposed Renewal of Shareholders' Mandate**

The Proposed Renewal of Shareholders' Mandate is in relation to transactions which are of a revenue or trading nature and which form an integral part of our Group's day-to-day operations and hence, they contribute to our financial performance. The Proposed Renewal of Shareholders' Mandate will not have any effect on our issued share capital and our substantial shareholders' shareholdings in our Company. In addition, the Proposed Renewal of Shareholders' Mandate is not expected to have any material effect on our consolidated NA and consolidated earnings for the financial year ended 31 December 2024.

### **4.2 Proposed Renewal of Share Buy-Back Authority**

The effects of the Proposed Renewal of Share Buy-Back Authority on share capital, NA, working capital, earnings and shareholdings of Directors and Substantial Shareholders of the Company are set out below:

#### **4.2.1 Share Capital**

The effect of the Proposed Renewal of Share Buy-Back Authority on the issued share capital of the Company will depend on whether the Purchased WZB Shares are cancelled or retained as treasury shares.

The Proposed Renewal of Share Buy-Back Authority will result in a reduction of the issued share capital of the Company if the Purchased WZB Shares are cancelled.

Based on the Company's issued share capital as at LPD, the effect of the Proposed Renewal of Share Buy-Back Authority, assuming that the Purchased WZB Shares will be cancelled, are as follows:

	<b><u>No. of Shares</u></b>
Total number of WZB Shares as at LPD	160,302,333*
Less :	
Maximum number of Shares which may be purchased and cancelled pursuant to the Proposed Renewal of Share Buy-Back Authority (assuming all Purchased WZB Shares are fully cancelled)	(16,030,233)*
<b>Resultant number of WZB shares</b>	<b><u>144,272,100</u></b>

*\* Including a total of 945,933 WZB Shares bought back by WZB and retained as treasury shares*

However, the Proposed Renewal of Share Buy-Back Authority will have no effect on the issued share capital of the Company if all the Purchased WZB Shares are to be retained as treasury shares, resold or distributed to the shareholders.

#### **4.2.2 NA and gearing**

When the Company purchases its own Shares, regardless of whether they are retained as treasury shares or subsequently cancelled, the NA per Share of WZB Group will decrease if the cost per Share purchased exceeds the NA per Share of WZB Group at the relevant point in time. However, if the cost per Share purchased is below the NA per Share of WZB Group at the relevant point in time, the NA per Share of WZB Group will increase.

In the case where the Purchased WZB Shares are treated as treasury shares and subsequently resold on Bursa Securities, the NA per Share of WZB Group upon the resale will increase if the Company realises a gain from the resale and vice-versa. If the treasury shares are distributed as share dividends, the NA of WZB Group will decrease by the cost of the treasury shares at the point of purchase.

#### **4.2.3 Working Capital**

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

For WZB Shares so purchased which are kept as treasury shares, upon their 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.

#### 4.2.4 Earnings and EPS

The effects of the Proposed Renewal of Share Buy-Back Authority on the earnings of WZB Group are dependent on the number WZB Shares purchased, the effective funding cost to finance such purchases and/or loss in interest income to WZB Group if internally generated funds are utilised. Further, the purchase of the WZB Shares will result in a lower number of Shares being taken into account for purposes of EPS computation.

#### 4.2.5 Dividends

Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full and the dividend quantum is maintained at historical levels, the Proposed Renewal of Share Buy-Back Authority will have an effect of increasing the dividend rate per ordinary share of the Company as a result of the reduction in the issued share capital of the Company.

### 5. INTEREST OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

#### 5.1 Proposed Renewal of Shareholders' Mandate

As at LPD, the direct and indirect interests of the Directors and/or Major Shareholders of WZB who are interested and/or do not consider themselves independent in the RRPT(s) are as follows:

Interested Directors	Direct		Indirect	
	No. of Shares	% <sup>(a)</sup>	No. of Shares	% <sup>(a)</sup>
Hui Lin Chit (Demised on 17 April 2025)	-	-	90,862,933	57.02 <sup>(b)</sup>
Hui Ching Chi	21,619,107	13.57	90,862,933	57.02 <sup>(b)</sup>
Sze Man Bok	-	-	90,862,933	57.02 <sup>(b)</sup>
Li Wai Leung	18,000	0.01	-	-
Wong Pui Wai Nancy	10,000	0.01	-	-

Interested Major Shareholders	Direct		Indirect	
	No. of Shares	% <sup>(a)</sup>	No. of Shares	% <sup>(a)</sup>
An Ping Holdings Limited	-	-	90,862,933	57.02 <sup>(b)</sup>

Interested Major Shareholders	Direct		Indirect	
	No. of Shares	% <sup>(a)</sup>	No. of Shares	% <sup>(a)</sup>
Hengan (Malaysia) Investments Company Limited	90,862,933	57.02	-	-
An Ping Investments Limited	-	-	90,862,933	57.02 <sup>(b)</sup>
	Direct		Indirect	

<b>Interested Major Shareholders</b>	<b>No. of Shares</b>	<b>%<sup>(a)</sup></b>	<b>No. of Shares</b>	<b>%<sup>(a)</sup></b>
Hui Lin Chit (Demised on 17 April 2025)	-	-	90,862,933	57.02 <sup>(b)</sup>
Hui Ching Chi	21,619,107	13.57	90,862,933	57.02 <sup>(b)</sup>
TMF (Cayman) Ltd.	-	-	90,862,933	57.02 <sup>(b)</sup>

<b>Interested Major Shareholders</b>	<b>Direct</b>		<b>Indirect</b>	
	<b>No. of Shares</b>	<b>%<sup>(a)</sup></b>	<b>No. of Shares</b>	<b>%<sup>(a)</sup></b>
Hengan International Group Company Limited	-	-	90,862,933	57.02 <sup>(b)</sup>
Hengan Mega Jumbo Investments Limited	-	-	90,862,933	57.02 <sup>(b)</sup>
Sze Man Bok	-	-	90,862,933	57.02 <sup>(b)</sup>
Tin Wing Holdings Limited	-	-	90,862,933	57.02 <sup>(b)</sup>
Tin Lee Investments Limited	-	-	90,862,933	57.02 <sup>(b)</sup>
Hang Seng Bank Limited	-	-	90,862,933	57.02 <sup>(b)</sup>
Hang Seng Bank (Trustee) Limited	-	-	90,862,933	57.02 <sup>(b)</sup>
The HongKong And Shanghai Banking Corporation Limited	-	-	90,862,933	57.02 <sup>(b)</sup>
HSBC Asia Holdings Limited	-	-	90,862,933	57.02 <sup>(b)</sup>
HSBS Holdings PLC	-	-	90,862,933	57.02 <sup>(b)</sup>
WayFoong Nominees Limited	-	-	90,862,933	57.02 <sup>(b)</sup>

**Notes:**

<sup>(a)</sup> Excluding a total of 945,933 Shares bought-back by the Company and retained as treasury shares as at LPD.

<sup>(b)</sup> Deemed interested in the shares held by Hengan (Malaysia) Investments Company Limited pursuant to Section 8 of the Act.

Accordingly, the Interested Directors have and will continue to abstain from all deliberations and voting on matters relating to the Proposed Renewal of Shareholders' Mandate at Board meetings and will abstain from voting in respect of their direct and/or indirect shareholdings in WZB at the forthcoming AGM on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate.

The Interested Major Shareholders will abstain from voting in respect of their direct and/or indirect shareholdings in WZB at the forthcoming AGM on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate.

The above Interested Directors and Interested Major Shareholders have undertaken that they shall ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution, deliberating or approving the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.



Save as disclosed above, none of the other Directors and/or Major Shareholders or Persons Connected with a Director or Major Shareholders have any interest, directly or indirectly in the Proposed Renewal of Shareholders' Mandate.

## 5.2 Proposed Renewal of Share Buy-Back Authority

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, none of the Directors and 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.

## 6. APPROVALS REQUIRED

The Proposals are subject to the approval being obtained from the shareholders of the Company at the forthcoming AGM.

## 7. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of WZB Shares traded on Bursa Securities for the past twelve (12) months from April 2024 to March 2025 are as follows:

<b><u>2024</u></b>	<b><u>Highest (RM)</u></b>	<b><u>Lowest (RM)</u></b>
April	0.690	0.640
May	0.690	0.645
June	0.675	0.640
July	0.670	0.640
August	0.640	0.620
September	0.625	0.620
October	0.640	0.590
November	0.600	0.560
December	0.570	0.530
<b><u>2025</u></b>		
January	0.555	0.505
February	0.560	0.500
March	0.535	0.465

The last transacted price of WZB Shares on 28 March 2025, being the LPD, was RM0.485.

(Source: Investing.com)

## 8. DIRECTORS' STATEMENT AND RECOMMENDATION

### 8.1 Proposed Renewal of Shareholders' Mandate

The Board (save for Mr. Hui Ching Chi, Mr. Sze Man Bok and Mr. Li Wai Leung) having considered all aspects of the Proposed Renewal of Shareholders' Mandate and after careful deliberation, are of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of WZB Group, fair, reasonable and on normal commercial terms, and not detrimental to the interest of the minority shareholders and

recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

## **8.2 Proposed Renewal of Share Buy-Back Authority**

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

## **9. ANNUAL GENERAL MEETING**

The ordinary resolutions in relation to the Proposed Renewal of Shareholders' Mandate and Proposed Renewal of Share Buy-Back Authority have been included in the Notice of the AGM of the Company. The AGM will be held at Royal Selangor Club, Dewan Tan Sri Hamzah at 1st Floor, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 27 May 2025 at 10.30 a.m. or any adjournment thereof.

In the event that you are unable to attend and vote in person at the AGM, you are requested to complete, sign and forward it to the Poll Administrator's office, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia so as to arrive at least forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof. Alternatively, the Proxy Form can be submitted electronically via <https://investor.boardroomlimited.com> before the Proxy Form submission cut-off time as mentioned in above. The Proxy Form should be completed strictly in accordance with the instructions contained therein. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so. The last day and time for you to lodge the Proxy Form is on Sunday, 25 May 2025 at 10.30 a.m.

## **10. FURTHER INFORMATION**

Shareholders are requested to refer to Appendix III contained in this Circular for further information.

Yours faithfully,  
For and on behalf of the Board of  
**WANG-ZHENG BERHAD**

**YAP PING HONG**  
Independent Non-Executive Director

**APPENDIX I – PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE - RELATED PARTY TRANSACTIONS**

**PARTICULARS OF THE RRPTS FOR SHAREHOLDERS' APPROVAL IN THE FORTHCOMING AGM**

Related Party	WZB Group - Transacting Party	Nature of Transaction with WZB Group	Estimated aggregate value as disclosed in the Circular <sup>(1)</sup>	Actual transaction value <sup>(2)</sup> #	Estimated transactions value <sup>(3)</sup> #	Nature of relationship between WZB Group and the Related Party
Hengan Group	WZB Group	WZB Group/Hengan Group to provide sales and marketing services, business development services, supply chain management services, and general management services to Hengan Group/WZB Group, both Hengan Group and WZB Group are recipients and providers of the services.	RM8,000,000	RM1,316,314	RM8,000,000	<ul style="list-style-type: none"> <li>Hengan is a Major Shareholder of WZB with a shareholding of 57.02%.</li> <li>Size Man Bok is the Chairman and shareholder of Hengan with a shareholding of 20.15%.</li> <li>Late Hui Lin Chit is a shareholder of Hengan with a shareholding of 22.48%.</li> <li>Hui Ching Chi is a director and shareholder of Hengan with a shareholding of 0.01%.</li> <li>Li Wai Leung is a director of Hengan.</li> </ul>
		Purchase of raw materials, finished goods and machineries from Hengan Group including but not limited to wood pulp, facial tissue jumbo roll, baby and adult diaper, sanitary napkin, tissue products, diaper machine and its accessories, etc.	RM40,000,000	RM23,467,345	RM50,000,000	

**APPENDIX I – PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE - RELATED PARTY TRANSACTIONS (CONT'D)**

Related Party	WZB Group - Transacting Party	Nature of Transaction with WZB Group	Estimated aggregate value as disclosed in the Circular(1)	Actual transaction value(2)#	Estimated transactions value(3)#	Nature of relationship between WZB Group and the Related Party
		Sales of raw materials and finished goods to Hengan Group including but not limited to super absorbent polymer, baby and adult diaper, sanitary napkin, tissue products, cottonproducts, etc. <sup>1</sup>		RM352,737		<ul style="list-style-type: none"> <li>Late Hui Lin Chit is a Major Shareholder of WZB.</li> <li>Hui Ching Chi and Sze Man Bok are the Directors of WZB and deemed as Major Shareholders of WZB.</li> <li>Li Wai Leung is the Director of WZB</li> </ul>

Notes:

(1) Circular to Shareholders dated 28 April 2024.

(2) The actual transaction values above are for the period from the date of AGM on 31 May 2024 to LPD.

(3) The estimated values above are for the period from 27 May 2025 (date of the forthcoming AGM) to the next AGM and are based on best estimates by our management taking into consideration of the historical trends of those transactions and projected business transaction growth. The actual value may vary, exceed or be lower than, the estimates shown above.

## APPENDIX II – PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

### DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

For illustration purposes only, the effect of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the Directors and the Substantial Shareholders of WZB based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders as at the LPD assuming the Proposed Renewal of Share Buy-Back Authority is undertaken in full by WZB, are as following:

#### (a) Directors' Shareholding

No.	Director	As at the LPD <sup>(a)</sup>				After the Proposed Share Buy-Back <sup>(b)</sup>			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
1.	Hui Lin Chit (Demised on 17 April 2025)	-	-	90,862,933	57.02 <sup>(c)</sup>	-	-	90,862,933	62.98 <sup>(c)</sup>
2.	Hui Ching Chi	21,619,107	13.57	90,862,933	57.02 <sup>(c)</sup>	21,619,107	14.51	90,862,933	62.98 <sup>(c)</sup>
3.	Li Wai Leung	18,000	0.01	-	-	-	-	-	-
4.	Wong Pui Wai Nancy	10,000	0.01	-	-	-	-	-	-
5.	Sze Man Bok	-	-	90,862,933	57.02 <sup>(c)</sup>	-	-	90,862,933	62.98 <sup>(c)</sup>
6.	Maj Gen Dato' Pahlawan Dr Mohana Dass A/L Ramasamy (Rtd)	5,000	0.00	-	-	5,000	0.00	-	-
7.	Yap Ping Hong	10,000	0.01	-	-	10,000	0.01	-	-
8.	Low Gay Teck	-	-	-	-	-	-	-	-
9.	Kington Tong Kum Loong	-	-	-	-	-	-	-	-

**APPENDIX II – PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)**

**(b) Substantial Shareholders' Shareholding**

No.	Substantial Shareholders	As at the LPD <sup>(a)</sup>				After the Proposed Share Buy-Back <sup>(b)</sup>			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
1.	Hengan (Malaysia) Investments Company Limited	90,862,933	57.02	-	-	90,862,933	63.98	-	-
2.	Hui Lin Chit (Demised on 17 April 2025)	-	-	90,862,933	57.02 <sup>(c)</sup>	-	-	90,862,933	62.98 <sup>(c)</sup>
3.	Hui Ching Chi	21,619,107	13.57	90,862,933	57.02 <sup>(c)</sup>	21,619,107	14.98	90,862,933	62.98 <sup>(c)</sup>
4.	An Ping Holdings Limited	-	-	90,862,933	57.02 <sup>(c)</sup>	-	-	90,862,933	62.98 <sup>(c)</sup>
5.	An Ping Investments Limited	-	-	90,862,933	57.02 <sup>(c)</sup>	-	-	90,862,933	62.98 <sup>(c)</sup>
6.	Hengan International Group Company Limited	-	-	90,862,933	57.02 <sup>(c)</sup>	-	-	90,862,933	62.98 <sup>(c)</sup>
7.	Hengan Mega Jumbo Investments Limited	-	-	90,862,933	57.02 <sup>(c)</sup>	-	-	90,862,933	62.98 <sup>(c)</sup>
8.	Tin Wing Holdings Limited	-	-	90,862,933	57.02 <sup>(c)</sup>	-	-	90,862,933	62.98 <sup>(c)</sup>
9.	Sze Man Bok	-	-	90,862,933	57.02 <sup>(c)</sup>	-	-	90,862,933	62.98 <sup>(c)</sup>
10.	Tin Lee Investments Limited	-	-	90,862,933	57.02 <sup>(c)</sup>	-	-	90,862,933	62.98 <sup>(c)</sup>
11.	HSBC Asia Holdings Limited	-	-	90,862,933	57.02 <sup>(c)</sup>	-	-	90,862,933	62.98 <sup>(c)</sup>
12.	The HongKong and Shanghai Banking Corporation Limited	-	-	90,862,933	57.02 <sup>(c)</sup>	-	-	90,862,933	62.98 <sup>(c)</sup>

**APPENDIX II – PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)**

No.	Substantial Shareholders	As at the LPD <sup>(a)</sup>				After the Proposed Share Buy-Back <sup>(b)</sup>			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
13.	Hang Seng Bank Limited	-	-	90,862,933	57.02 <sup>(c)</sup>	-	-	90,862,933	62.98 <sup>(c)</sup>
14.	Hang Seng Bank (Trustee) Limited	-	-	90,862,933	57.02 <sup>(c)</sup>	-	-	90,862,933	62.98 <sup>(c)</sup>
15.	HSBC Holdings PLC	-	-	90,862,933	57.02 <sup>(c)</sup>	-	-	90,862,933	62.98 <sup>(c)</sup>
16.	WangFoong Nominees Limited	-	-	90,862,933	57.02 <sup>(c)</sup>	-	-	90,862,933	62.98 <sup>(c)</sup>
17.	TMF (Cayman) Ltd	-	-	90,862,933	57.02 <sup>(c)</sup>	-	-	90,862,933	62.98 <sup>(c)</sup>

**Notes:**

- <sup>(a)</sup> Excluding a total of 945,933 Shares bought-back by the Company and retained as treasury shares as at LPD.
- <sup>(b)</sup> Assuming the maximum of 16,030,233 Shares are bought-back by the Company and cancelled pursuant to the Proposed Renewal of Share Buy-Back Authority.
- <sup>(c)</sup> Deemed interested in the shares held by Hengan (Malaysia) Investments Company Limited pursuant to Section 8 of the Act.

# None of the Actual Value exceeds the Estimated Value by 10% or more.

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## APPENDIX III – FURTHER INFORMATION

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### 1. DIRECTORS' RESPONSIBILITY STATEMENT

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

### 2. MATERIAL CONTRACTS

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

- (a) The Tenancy Agreement dated 28 August 2019 between MMF Haus Sdn Bhd and Carefeel Cotton Industries (M) Sdn Bhd for the rental of a corner detached industrial lot measuring a provisional land area of 20,966 square metres or 225,678 square feet held under H.S.(D) 49155, No. P.T. 1011, Bandar Kundang, Daerah Gombak, Selangor for a monthly rent of RM77,000.00 for the 1<sup>st</sup> year and RM81,000.00 for the 2<sup>nd</sup> and 3<sup>rd</sup> year. The said Tenancy Agreement expired on 28 October 2019 and it has been extended for another term of three (3) years from 1 November 2022 to 31 October 2025.
- (b) On 2 October 2023, New Top Win Corporation Sdn Bhd and Quality Hero Corporation Sdn Bhd entered into a Sale and Purchase Agreement ("SPA") with Halex Woolton (M) Sdn Bhd for the acquisition of a parcel of land ("the Property") and the assets attached to the Property for a total purchase consideration of RM7.68 million.

### 3. MATERIAL LITIGATION

The Board has confirmed that as at the LPD, neither WZB nor its subsidiaries is engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Board has no knowledge of any proceeding pending or threatened against WZB Group or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the WZB Group.

### 4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

Save as disclosed below, as at LPD, the Board is not aware of any material commitments and contingent liabilities incurred or known to be incurred which may have a material impact on the profits or NA of WZB Group upon becoming enforceable:

- (a) Contingent Liabilities

	<b>RM'000</b>
Corporate guarantees for credit facilities granted to subsidiaries	111,150
Banker guarantees in favour of the local authorities	531
Total :	<u><b>111,681</b></u>



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**APPENDIX III – FURTHER INFORMATION (CONT'D)**

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(b) Material Commitments

Acquisition of property, plant and equipment

**RM'000**

**519**

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**5. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of WZB at 12th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia during normal office hours between Monday and Friday (except public holidays) from the date of Part A of this Circular up to the time set for convening the EGM:

- (a) The Constitution of WZB;
- (b) The material contracts as referred to in item 2 of Appendix III of Part A of the Circular; and
- (c) The audited financial statements of WZB Group for the past two (2) financial years ended 31 December 2023 and 2024, and the latest unaudited results for financial year ended 31 December 2023.

**EXTRACT OF NOTICE OF ANNUAL GENERAL MEETING****8. ORDINARY RESOLUTION****PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")**

"THAT, subject always to the provisions of the Companies Act 2016 (the "Act"), the Constitution of the Company, Main Market Listing Requirements of Bursa Malaysia Securities Berhad or other regulatory authorities, approval be and is hereby given to the Company and/or subsidiary companies to enter into all arrangements and/or transactions as specified in Appendix I of the Circular to Shareholders of the Company dated 28 April 2025, involving the interests of directors, major shareholders or persons connected with such Directors or major shareholders of the Company ("Related Parties") as detailed in Appendix I of the Circular to Shareholders of the Company dated 28 April 2025, provided that such arrangements and/or transactions are:

*Ordinary Resolution 9  
(Please refer to  
Explanatory Note 6)*

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for day-to-day operations; and
- (iii) carried out in the ordinary course of business or the normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not to be detriment of the minority shareholders of the Company,

(the "Shareholders' Mandate").

THAT the Shareholders' Mandate shall take effect from this resolution and shall continue to be in force until:

- (a) the conclusion of the next annual general meeting of the Company following the general meeting at which such Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the general meeting, the authority is renewed either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next annual general meeting after the date it is required to be held pursuant to Section 340(2) of the Act but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

**9. ORDINARY RESOLUTION**

**PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES IN THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

"THAT, subject always to the Companies Act 2016 ("the Act"), the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR") and the approvals of all relevant authorities (if any), the Board of Directors of the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase and/or hold such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

*Ordinary Resolution 10  
(Please refer to  
Explanatory Note 7)*

- (i) the maximum aggregate number of shares which may be purchased and/or held as treasury shares by the Company does not exceed 10% of the total number of issued shares of the Company at any point in time ("Proposed Share Buy-Back");
- (ii) the maximum amount to be allocated for the Proposed Share Buy-Back shall not exceed the aggregate of the Company's retained profits based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of purchase of the Proposed Share Buy-Back; and
- (iii) the shares of the Company so purchased may be cancelled, retained as treasury shares, distributed as dividends or resell on Bursa Securities, or a combination of any of the above, or be dealt with in such manner allowed by the Act and MMLR from time to time.

THAT the authority conferred by this resolution will commence immediately upon the passing of this resolution and will continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution is passed, at which time the authority will lapse, unless by an ordinary resolution passed at the general meeting, the authority is renewed either unconditionally or subject to conditions; or

- (c) the authority is 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 the purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and/or any other relevant authority.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary to enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the interests of the Company”.