

THIS STATEMENT 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 independent adviser immediately.

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WEGMANS HOLDINGS BERHAD
REGISTRATION NO.: 201701005154 (1219319-D)
(Incorporated in Malaysia)

STATEMENT TO SHAREHOLDERS

IN RELATION TO THE

**PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES
OF UP TO TEN PERCENT (10%) OF THE ISSUED SHARE CAPITAL OF THE COMPANY**

The resolution in respect of the above proposal will be tabled as Special Business at the Sixth Annual General Meeting ("AGM") of Wegmans Holdings Berhad ("Company") to be held at BEI BOUTIQUE HOTEL, Centro Meeting Hall, Level 3, 8-3, Jalan Abdul Rahman, 84000 Muar, Johor Darul Takzim or at adjournment thereof on Thursday, 25 May 2023 at 11:00 a.m.. The Notice of the AGM together with the Form of Proxy, are enclosed in the Annual Report 2022 of the Company.

A member entitled to attend and vote at AGM is entitled to appoint a proxy or proxies to attend and vote on his/her behalf.

The Form of Proxy or power of attorney or certificate of appointment of corporate representatives should be lodged at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or by electronic lodgement via TIIH Online website at <https://tiih.online> not later than forty-eight (48) hours before the time set for the AGM or at adjournment thereof. Please refer to the Administrative Guide for the AGM on the procedures for electronic lodgement of Form of Proxy or power of attorney or certificate of appointment of corporate representatives.

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you wish to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 23 May 2023 at 11.00 a.m.

Date and time of the AGM : Thursday, 25 May 2023 at 11.00 a.m.

This Statement is dated 26 April 2023

DEFINITIONS

Unless otherwise indicated, 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 to be convened
“Board”	: Board of Directors of Wegmans
“Bursa Securities”	: Bursa Malaysia Securities Berhad [Registration No.: 200301033577 (635998-W)]
“Code”	: Malaysian Code on Take-Over and Mergers 2016 (as amended from time to time and any re-enactment thereof)
“Director(s)”	: Director(s) of Wegmans
“EPS”	: Earnings Per Share
“FYE”	: Financial year ending/ended 31 December
“Group” or “Wegmans Group”	: Wegmans and its subsidiaries, collectively
“Wegmans” or “the Company”	: Wegmans Holdings Berhad [Registration No.: 201701005154 (1219319-D)]
“Wegmans Share(s)” or “Share(s)”	: Ordinary share(s) in Wegmans
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities (as amended from time to time)
“LPD”	: 31 March 2023, being the latest practicable date prior to the printing of this Statement
“Market Day”	: Any day from Monday to Friday (both inclusive) which Bursa Securities is open for trading of securities
“NA”	: Net assets
“Proposed Authority” or “Proposal”	: The proposed authority for Wegmans to purchase its own ordinary shares of up to ten percent (10%) of the issued share capital of the Company
“Purchased Share(s)”	: Share(s) purchased pursuant to the Proposed Authority
“Registered Office”	: No. 7 (1st Floor), Jalan Pesta 1/1, Taman Tun Dr. Ismail 1, Jalan Bakri, 84000 Muar, Johor Darul Takzim
“RM and sen”	: Ringgit Malaysia and sen, respectively
“Statement”	: Share buy-back statement in relation to the Proposed Authority

Words importing the singular only shall include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporation, unless otherwise specified.

All references to the time of day in this Statement are references to Malaysian time.

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

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WEGMANS HOLDINGS BERHAD
REGISTRATION NO.: 201701005154 (1219319-D)
(Incorporated in Malaysia)

Registered office:

No. 7 (1st Floor) Jalan Pesta 1/1
Taman Tun Dr. Ismail 1
Jalan Bakri
84000 Muar Johor Darul Takzim

26 April 2023

Board of Directors:

Chan Wan Seong	<i>(Independent Non-Executive Chairman)</i>
Keh Wee Kiet	<i>(Managing Director)</i>
Law Kok Lim	<i>(Executive Director)</i>
Maziah Binti Md Yamin	<i>(Independent Non-Executive Director)</i>
Faam Chang Pooh	<i>(Independent Non-Executive Director)</i>

To: The Shareholders of Wegmans

Dear Sir/Madam,

STATEMENT TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED AUTHORITY

1. INTRODUCTION

The Board had on 18 April 2023, announced the Company's intention to seek shareholders' approval for the Proposed Authority at the forthcoming AGM.

The purpose of this Statement is to provide you with the details of the Proposal and to seek your approval on the ordinary resolution to be tabled at the forthcoming AGM in relation to the Proposed Authority. The Notice of AGM and the Form of Proxy are set out in the Company's Annual Report 2022.

SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED AUTHORITY.

2. DETAILS OF THE PROPOSED AUTHORITY

2.1 The Company proposes to seek your approval for authority to purchase its own ordinary shares of up to ten percent (10%) of the issued share capital on Bursa Securities via stockbroker(s) to be appointed by the Board, at any time during the authorised period. The authority from the shareholders for the Proposed Authority will be effective upon the passing of the ordinary resolution for the Proposed Authority at the forthcoming AGM until:

- (i) the conclusion of the next AGM of the Company at which time the said authority would lapse unless renewed by ordinary resolution passed at that meeting, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever occurs first.

2.2 Pursuant to Paragraph 12.10 of the Listing Requirements, the Proposed Authority must be made wholly out of the retained profits account of the Company. The retained profits account of the Company for the last three (3) financial years were as follows:

	Retained profits (RM)
As at 31 December 2020 as per audited accounts	644,090
As at 31 December 2021 as per audited accounts	70,756
As at 31 December 2022 as per audited accounts	1,283,480

The maximum amount of the funds to be allocated for the Proposed Authority shall be limited to retained profits of the Company. The funding will be internally generated and will not have a significant negative bearing on the cash flow position of the Wegmans Group.

2.3 Pursuant to the Listing Requirements, the purchase price of Shares cannot be more than fifteen percent (15%) above the weighted average market price of our Shares for five (5) Market Days immediately preceding the date of the purchase. In the case of a resale of the treasury shares on Bursa Securities, the Company may only resell any treasury shares at a price, which is:

- (i) not less than the weighted average market price of Shares for five (5) Market Days immediately prior to the date of the resale; or
- (ii) a discounted price of not more than five percent (5%) to the weighted average market price for Shares for five (5) Market Days immediately prior to the date of the resale, provided that:
 - (a) the resale takes place no earlier than thirty (30) days from the date of the purchase; and
 - (b) the resale price is not less than the cost of purchase of the Shares being resold.

2.4 In accordance with Section 127(4) of the Act, the Directors are able to deal with any Purchased Shares by the Company under the Proposed Authority in the following manner:

- (i) to cancel the Purchased Shares; or
- (ii) to retain the Purchased Shares in treasury which is referred to as “treasury shares” in the Act; or
- (iii) to retain part of the Purchased Shares as treasury shares and cancel the remainder of the Purchased Shares.

2. DETAILS OF THE PROPOSED AUTHORITY (CONT'D)

In regards to the Purchased Shares and retain as treasury shares, the Board may decide to distribute the treasury shares as share dividends to our shareholders and/or resell the treasury shares on Bursa Securities and utilise the proceeds from the resale of the treasury shares for potential investment opportunities arising in the future or as working capital.

If the Board decides to resell the treasury shares on Bursa Securities, the Company will make an announcement on the day the resale is made, providing details of the description of the Shares resold, the number of Shares resold, the resale price of each Share resold or where relevant, the highest and lowest resale price, the total consideration received and the cumulative net outstanding treasury shares at the date of notification, where applicable.

- 2.5 The Proposed Authority will allow the Board to exercise the power of the Company to purchase its Shares at any time within the abovementioned period using the internal funds of the Company and/or external borrowings. 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, the actual number of Shares to be purchased and other relevant factors.

The actual number of Shares to be purchased and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock market as well as the retained profits account and the financial resources available to the Company. In the event the Company purchases its own Shares using external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment would have no material effect on the cash flow of the Company.

3. RATIONALE AND POTENTIAL ADVANTAGES OF THE PROPOSED AUTHORITY

The Proposed Authority will enable Wegmans to utilise any of its surplus financial resources to purchase its own Shares from the market. It may stabilise the supply and demand of Shares traded on Bursa Securities and thereby support its fundamental value. The stability of Share price is important to maintain investors' confidence to facilitate any future fund raising exercises via the equity market.

Assuming all things being equal, any purchase of Shares, regardless whether its Shares so purchased were retained as treasury shares or cancelled, would result in a lower number of Shares being used for the purpose of computing the EPS. The reduced issued share capital subsequent to the Proposed Authority may improve the Company's EPS, which in turn could be expected to benefit the shareholders.

The Purchased Shares can be held as treasury shares and resold on Bursa Securities at a higher price with the intention of realising a potential gain without affecting the total issued share capital of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

4. POTENTIAL DISADVANTAGES OF THE PROPOSED AUTHORITY

The Proposed Authority will temporarily reduce the financial resources of the Company. This may result in the Company foregoing other investment opportunities that may emerge in the future or, at least, deprive the Company of interest income that can be derived from funds to be utilised for the Proposed Authority.

It may also reduce the amount of resources available for distribution in the form of dividends to the shareholders as funds are utilised to purchase its own Shares. However, the financial resources of the Company may recover and increase upon the re-selling of the Purchased Shares held as treasury shares.

Notwithstanding the above, the Board is of the view that the Proposed Authority is not expected to have any material disadvantage to the shareholders as well as the Company as it will be implemented only after careful consideration of the financial resources of the Group and the resultant impact on the shareholders and the Company.

5. EFFECTS OF THE PROPOSED AUTHORITY

The effects of the Proposed Authority are as follows:

5.1 Share Capital

The effects of the Proposed Authority on the issued share capital of the Company, based on the following scenarios, are as follows:

	No of Shares
As at LPD	550,034,250
Proposed Authority (assuming all Shares purchased are fully cancelled)	<u>(55,003,425)</u>
Balance after the Proposed Authority	<u><u>495,030,825</u></u>

In the event Shares purchased are retained as treasury shares, the Proposed Authority will not affect the issued share capital of Wegmans but the rights attached to them in relating to voting, dividends and participation in any other distributions or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including calculation of substantial shareholdings, take-overs, notices, the requisitioning of meetings, calculation of quorum for meetings and the result of a vote on a resolution at meeting.

5.2 NA

The consolidated NA of the Company may increase or decrease depending on the number of Shares purchased under the Proposed Authority, the purchase prices of its Shares, the effective cost of funding and the treatment of its Shares purchased under the Proposed Authority.

The Proposed Authority will reduce the consolidated NA per Share when the purchase price exceeds the consolidated NA per Share at the time of purchase. On the contrary, the consolidated NA per Share will increase when the purchase price is less than the consolidated NA per Share at the time of purchase.

If the Shares purchased under the Proposed Authority are held as treasury shares and subsequently resold on Bursa Securities, the consolidated NA per Share would increase if the Company realises a gain from the resale or vice versa. If the treasury shares are distributed as share dividends, it will decrease the Group's NA by the cost of the treasury shares.

5.3 Working Capital

The Proposed Authority will reduce the working capital and cash flow of Wegmans Group, the quantum of which depend on the purchase price of its Shares, the actual number of Shares purchased and any associated costs incurred in making the purchase. For Shares purchased which are kept as treasury shares, upon their resale, the working capital and cash flow will increase. 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

The effect of the Proposed Authority on the consolidated EPS of the Company will depend on the purchase prices paid for its Shares, the effective funding cost to the Group to finance the purchases of its Shares or any loss in interest income to the Group, if internally generated funds are utilised to finance the purchase of its Shares. Further, the purchase of Shares will result in a lower number of shares being taken into account for purposes of EPS computation.

Assuming that any Purchased Shares are retained as treasury shares and resold on Bursa Securities, the effects on the consolidated earnings of the Company will depend on the actual selling price, the number of treasury shares resold and the effective gain or interest savings arising from the exercise.

5.5 Dividends

The Proposed Authority is not expected to have any material impact on the policy of the Board in recommending dividend, if any, to the shareholders. However, the Board may distribute future dividends in the form of the treasury shares purchased pursuant to the Proposed Authority.

5.6 Directors' and Substantial Shareholders' shareholdings

The direct and indirect shareholdings of the Directors and Substantial Shareholders of the Company as at LPD are set out as follows:

Directors and/or Substantial Shareholders	<u>As at the LPD</u>			<u>After the Proposed Authority**</u>		
	<u>Direct</u>		<u>Indirect</u>	<u>Direct</u>	<u>Indirect</u>	
	No. of Shares	%	No. of Shares	No. of Shares	No. of Shares	%
Chan Wan Seong	600,000	0.109	-	600,000	-	-
Keh Wee Kiet*	175,000,000	31.816	-	175,000,000	-	-
Law Kok Lim*	175,000,000	31.816	-	175,000,000	-	-
Maziah Binti Md Yamin	-	-	-	-	-	-
Faam Chang Pooh	-	-	25,000 ⁽¹⁾	-	25,000 ⁽¹⁾	0.005
BS Value Sdn. Bhd.*	33,353,900	6.064	-	33,353,900	-	-
Kek Wee Beng	18,006,900	3.274	33,353,900 ⁽²⁾	18,006,900	33,353,900 ⁽²⁾	6.738
See Beng Yeaw	-	-	33,353,900 ⁽²⁾	-	33,353,900 ⁽²⁾	6.738

Notes:

* Substantial shareholders

** Assuming if the Proposed Authority for Wegmans to purchase its own ordinary shares implemented in full

⁽¹⁾ Deemed interested by virtue of his spouse's interest in the Company.

⁽²⁾ Deemed interested by virtue of his direct interest in BS Value Sdn. Bhd..

6. PURCHASE, RESALE AND CANCELLATION OF TREASURY SHARES DURING THE PREVIOUS TWELVE (12) MONTHS

Presently, the Company does not have an existing authority to purchase its Shares. Hence, the Company does not currently hold any treasury shares and has not purchased, resold and/or cancelled any Shares during the last twelve (12) months preceding the LPD.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Shares transacted for the twelve (12) months from April 2022 to March 2023 are as follows:

	High RM	Low RM
2022		
April	0.264	0.211
May	0.260	0.205
June	0.255	0.195
July	0.205	0.180
August	0.215	0.190
September	0.210	0.190
October	0.210	0.190
November	0.210	0.190
December	0.210	0.200
2023		
January	0.215	0.195
February	0.210	0.195
March	0.200	0.180

The last transacted market price of the Shares immediately prior to the announcement of the Proposed Authority on 18 April 2023. RM0.190

The last transacted market price of the Shares as at LPD RM0.190

(Source: investing.com)

8. PUBLIC SHAREHOLDING SPREAD

The Proposed Authority will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the requirement of twenty-five percent (25%) public shareholding spread under Paragraph 8.02(1) of the Listing Requirements.

As at LPD, the public shareholding spread of our Company based on the issued share capital of 550,034,250 Shares was 26.681%. Our Board will ensure that our Company complies with the minimum public spread of twenty-five percent (25%) in implementing the Proposed Authority.

9. IMPLICATION OF THE CODE

Our Company does not intend to undertake the Proposed Authority such that it will trigger any obligation to undertake a mandatory offer pursuant to the Code. However, in the event an obligation to undertake a mandatory offer is to arise with respect to any party resulting from the Proposed Authority, the relevant parties shall make the necessary application to the Security Commission for a waiver to undertake a mandatory offer pursuant to the Code.

10. APPROVALS REQUIRED

The Proposed Authority is subject to the approval of the shareholders of the Company at the forthcoming AGM.

11. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for the proportionate increase in the percentage shareholdings of the Directors and Substantial Shareholders in the Company as a result of the Proposed Authority, none of the Directors or Substantial Shareholders and/or persons connected to them, has any interest, direct or indirect, in the Proposed Authority or the resale of the treasury shares, if any.

12. DIRECTORS' RECOMMENDATION

The Board, having considered all the aspects of the Proposed Authority, is of the opinion that it is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Authority to be tabled at the forthcoming AGM.

13. AGM

The Company's AGM will be held at BEI BOUTIQUE HOTEL, Centro Meeting Hall, Level 3, 8-3, Jalan Abdul Rahman, 84000 Muar, Johor Darul Takzim on Thursday, 25 May 2023 at 11.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the ordinary resolution pertaining to the Proposed Authority.

If you are unable to attend and vote in person at the AGM, you are requested to complete and deposited the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or by electronic lodgement via TIIH Online website at <https://tiih.online> not less than forty-eight (48) hours before the time appointed for holding this meeting or any adjournment thereof as Paragraph 8.29A(1) of the Listing Requirements requires all resolutions set out in the Notice of AGM to vote by way of poll. For electronic lodgement please refer to the Administrative Guide of AGM.

The lodging of the instrument appointing a proxy and the power of attorney or other authority does not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

14. FURTHER INFORMATION

You are requested to refer to the attached Appendix I for further information.

Yours faithfully
For and on behalf of the Board of
WEGMANS HOLDINGS BERHAD

Chan Wan Seong
(Independent Non-Executive Chairman)

APPENDIX I – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal office hours (except for public holidays) from the date of this Statement up to and including the date of the forthcoming AGM, at the Registered Office:

- (i) Constitution of the Company; and
- (ii) the audited financial statements of the Company for the past two (2) FYEs 2021 and 2022.

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