

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

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

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has perused this Circular only in respect of the Proposed New Shareholders' Mandate on a limited review basis pursuant to Paragraph 4.1(c) of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities, prior to the the issuance of this Circular.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**MARINE & GENERAL**  
BERHAD

[Registration No. 199601033545 (405897-V)]  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**  
**in relation to**

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

**PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED  
PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE  
("PROPOSED NEW SHAREHOLDERS' MANDATE")**

The proposed resolution in respect of the above will be tabled at the 25th Annual General Meeting ("**AGM**") of Marine & General Berhad ("**the Company**") to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 28 October 2022 at 9.30 a.m. or any adjournment thereof.

The Circular can be downloaded from the Company's website at <http://marine-general.com.my/CI/circular.php>.

If you are unable to participate in the AGM, you may appoint a proxy or proxies to participate and vote on your behalf. In such an event, you should complete and deposit the Proxy Form at the Registered Office of the Company at Level 22, Axiata Tower, No. 9, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur either by hand or by post or via electronic means by fax to (03) 2273 8310 or email to [cosec@christopherleeong.com](mailto:cosec@christopherleeong.com) not less than twenty four (24) hours before the time appointed for taking of the poll for the AGM or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid. The lodging of the Proxy Form will not preclude you from participating and voting at the AGM should you subsequently wish to do so.

The last day and time for lodging the Proxy Form : Thursday, 27 October 2022 at 9.30 a.m.

Date and time of the AGM : Friday, 28 October 2022 at 9.30 a.m.

**This Circular is dated 27 September 2022**

## DEFINITIONS

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

“Act”	: The Malaysian Companies Act 2016 as amended from time to time and any re-enactment thereof.
“AGM”	: Annual General Meeting.
“AQL Aman”	: AQL Aman Sdn. Bhd. [Registration No.: 200201028841 (596504-H)].
“Board”	: The Board of Directors of M&G.
“Bursa Securities”	: Bursa Malaysia Securities Berhad [Registration No.: 200301033577 (635998-W)].
“Circular”	: Circular to Shareholders dated 27 September 2022.
“Director”	: Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and for the purpose of the Proposed 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 director or a chief executive of the Company, its subsidiary or holding company.
“Downstream Division”	: The division that provides the tanker services carrying liquid bulk cargo.
“JML”	: Jasa Merin (Labuan) Plc (Registration No.: LL06525).
“JMM”	: Jasa Merin (Malaysia) Sdn. Bhd. [Registration No.: 198001002390 (56173-U)].
“JMSM”	: Jasa Merin Ship Management Sdn. Bhd. [Registration No.: 202101004758 (1405057-M)].
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time.
“LPD”	: 31 August 2022, being the latest practicable date prior to the printing of this Circular.
“M&G” or “the Company”	: Marine & General Berhad [Registration No.: 199601033545 (405897-V)].
“M&G Group” or “the Group”	: M&G and its subsidiaries.
“Major Shareholder”	<p>: A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of such shares, is –</p> <p>(a) 10% or more of the total number of voting shares in the Company; or</p> <p>(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.</p> <p>For the purpose of the Proposed Shareholders’ Mandate, it includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company or any other company which is its subsidiary or holding company.</p> <p>For the purpose of this definition, "interest in shares" has the meaning given in Section 8 of the Act.</p>
“Mandated Related Party”	: MEB and its subsidiaries and Persons Connected with them.
“MEB”	: Muhibbah Engineering (M) Bhd. [Registration No.: 197201001137 (12737-K)].
“MEB Group”	: MEB and its subsidiaries.
“MGMLH”	: M&G Marine Logistics Holdings Sdn. Bhd. [Registration No.: 201101018948 (947081-V)].
“MGS8”	: M&G Sutera 8 Sdn. Bhd. [Registration No.: 201901033007 (1342337-W)].
“MGT”	: M&G Tankers Sdn. Bhd. [Registration No.: 201801022900 (1284919-H)].

“MMESB”	: Muhibbah Marine Engineering Sdn. Bhd. [Registration No.: 198901009164 (186465-X)].
“MOGSB”	: Muhibbah O&G Sdn. Bhd. [Registration No.: 199601025435 (397787-P)].
“NA”	: Net Assets.
“Person Connected”	: Shall have the meaning given in Paragraph 1.01 of the Listing Requirements.
“Proposed Renewal of Shareholders’ Mandate”	: Proposed shareholders’ mandate for existing RRPT(s) to be entered into by M&G Group from the date of the forthcoming AGM until the next AGM as set out in paragraph 2D of this Circular.
“Proposed New Shareholders’ Mandate”	: Proposed shareholders’ mandate for additional RRPT(s) to be entered into by M&G Group from the date of the forthcoming AGM until the next AGM as set out in Paragraph 2E of this Circular.
“Proposed Shareholders’ Mandate”	: Proposed Renewal of Shareholders’ Mandate and Proposed New Shareholders’ Mandate.
“Related Party(ies)”	: Director(s), Major Shareholder(s) or Person(s) Connected with such Director(s) or Major Shareholder(s).
“Related Party Transaction”	: A transaction entered into by the Company or its subsidiaries which involves the interest, direct or indirect, of a Related Party.
“RRPT”	: Related party transactions which are recurrent, of a revenue or trading nature and which are necessary for M&G Group’s day-to-day operations and are in the ordinary course of business.
“Substantial Shareholder”	: Shall have the meaning given in Section 136 of the Act.
“TKH Marine”	: TKH Marine (L) Ltd. (Registration No.: LL13973).
“Upstream Division”	: The division that provides charter services of offshore support vessels.

All references to “**you**” in this Circular are to our shareholders.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and / or neuter genders, and vice versa. References to persons shall include corporations.

Any reference to any enactment in this Circular is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time or date in this Circular is a reference to Malaysian time or date, unless otherwise stated.

Any discrepancy in the tables between the amounts listed, actual figures and the totals in this Circular are due to rounding.

*(The rest of this page has been intentionally left blank)*

## CONTENTS

### LETTER TO SHAREHOLDERS CONTAINING:

	Page
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE	2
A. Part E, Paragraphs 10.08 and 10.09 of Chapter 10 and Practice Note 12 of the Listing Requirements	2
B. Proposed Shareholders' Mandate	3
C. Mandated Related Party	4
D. Details of the RRPT(s) under the Proposed Renewal of Shareholders' Mandate	5
E. Details of the RRPT(s) under the Proposed New Shareholders' Mandate	6
F. Amount due and owing to M&G Group by the Mandated Related Party	7
G. Rationale for, and benefit to, the Group for transacting with Mandated Related Party	7
H. Review procedures / practices for RRPT	8
I. Guidelines on threshold of authority	8
J. Audit Committee's statements	9
3. INTEREST OF DIRECTORS AND MAJOR SHAREHOLDERS AND / OR PERSONS CONNECTED TO THEM	9
4. CONDITION OF THE PROPOSED SHAREHOLDERS' MANDATE	9
5. DIRECTORS' RECOMMENDATION	9
6. AGM	10
7. FURTHER INFORMATION	10

### APPENDICES

APPENDIX I FURTHER INFORMATION	11
EXTRACT OF THE NOTICE OF THE 25TH AGM	12

*(The rest of this page has been intentionally left blank)*



**MARINE & GENERAL**  
BERHAD

[Registration No. 199601033545 (405897-V)]  
(Incorporated in Malaysia)

Registered Office:  
Level 22, Axiata Tower  
No. 9, Jalan Stesen Sentral 5  
Kuala Lumpur Sentral  
50470 Kuala Lumpur

27 September 2022

**Board of Directors:**

Tan Sri Mohammed Azlan bin Hashim (*Executive Chairman, Non-independent Executive Director*)  
Tai Keat Chai (*Non-independent Non-Executive Director*)  
Nik Abdul Malik bin Nik Mohd Amin (*Non-independent Non-Executive Director*)  
Shariffuddin bin Khalid (*Independent Non-Executive Director*)  
Datin Shelina binti Razaly Wahi (*Independent Non-Executive Director*)  
Haji Abdul Rahman bin Ali (*Non-independent Executive Director*)  
Kamarul Ariffin bin Mohd Jamil (*Independent Non-Executive Director*)

To: Shareholders of M&G

Dear Sir / Madam,

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

**1. INTRODUCTION**

At the AGM of the Company held on 29 October 2021, the Company had obtained the shareholders' mandate for the Group to enter into certain RRPT(s) based on terms set out in the circular to shareholders dated 30 September 2021. The said shareholders' mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM, which will be held on 28 October 2022, unless approval for the renewal of the shareholders' mandate is obtained from the shareholders of the Company at the forthcoming AGM.

Pursuant to Paragraph 10.09 of the Listing Requirements, on 30 August 2022 and 13 September 2022, the Board announced to Bursa Securities that the Company proposes to seek the approval of the shareholders for the Proposed Shareholders' Mandate.

The purpose of this Circular is to provide you with the details pertaining to the Proposed Shareholders' Mandate and to seek your approval for the resolution thereto to be tabled at the forthcoming 25th AGM of the Company to be held on Friday, 28 October 2022 at 9.30 a.m..

*(The rest of this page has been intentionally left blank)*

**YOU ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING 25TH AGM.**

## **2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE**

### **A. Part E, Paragraphs 10.08 and 10.09 of Chapter 10 and Practice Note 12 of the Listing Requirements**

The details of the RRPT of a revenue or trading nature pursuant to Part E, Paragraph 10.09, which should be read in conjunction with Paragraph 10.08 of the Listing Requirements to be dealt with at the forthcoming AGM, are as follows:-

- (a) Under Part E, Paragraph 10.08 (1) to (4) of the Listing Requirements, where transactions are entered into by the Company or its subsidiary(ies) with a Related Party, the Company must make an immediate announcement to Bursa Securities in respect of such transactions where any one of the percentage ratios is 0.25% or more, unless the value of the consideration of the transaction is less than RM500,000 or it is a RRPT.
- (b) For a Related Party Transaction where any one of the percentage ratios is 5% or more, the Company must comply with the following, in addition to (a) above:-
  - i. send a circular to the shareholders;
  - ii. obtain the shareholders' approval of the transaction in general meeting; and
  - iii. appoint an independent adviser who is a corporate finance adviser within the meaning of the Securities Commission's Principal Adviser Guidelines, before the terms of the transaction are agreed upon.

The independent adviser referred to in (iii) above must, in relation to the transaction:-

- i. comment as to whether the transaction is fair and reasonable so far as the shareholders are concerned and whether the transaction is to the detriment of minority shareholders and such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion;
  - ii. advise the minority shareholders on whether they should vote in favour of the transaction; and
  - iii. take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice.
- (c) For a Related Party Transaction other than a RRPT where any one of the percentage ratios is 25% or more, in addition to (a) and (b) above, the Company must appoint a main adviser, who is a Principal Adviser within the meaning of the Securities Commission's Principal Adviser Guidelines, before the terms of the transaction are agreed upon, and it shall be the duty and responsibility of the Principal Adviser to:-
  - i. advise whether such transaction is carried out on fair and reasonable terms and conditions, and not to the detriment of minority shareholders of the Company;
  - ii. ensure that such transaction complies with the relevant laws, regulations or guidelines, where applicable;
  - iii. ensure full disclosure of all information required to be disclosed in the announcement and circular to shareholders; and
  - iv. confirm to Bursa Securities after the transaction has been completed and all the necessary approvals have been obtained, that it has discharged its responsibility with due care in regard to the transaction.

- (d) Under Part E, Paragraph 10.09 of the Listing Requirements, the Company may seek shareholders' mandate in respect of Related Party Transactions involving recurrent transactions of a revenue or trading nature, which are necessary for its day-to-day operations such as supplies of materials, subject to the following:-
- 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;
  - The shareholders' mandate is subject to annual renewal and disclosure of the aggregate value of such transactions conducted during the financial year where the aggregate value is equal to or more than the threshold prescribed under the Listing Requirements, is made in the annual report;
  - Issuing of circular to shareholders by the Company for the shareholders' mandate;
  - In a meeting to obtain shareholders' mandate, the interested Director, Major Shareholder or Persons Connected with a Director or Major Shareholder; and where it involves the interest of the Persons Connected with a Director or Major Shareholder, such Director or Major Shareholder must not vote on the resolution approving the transactions. An interested Director or Major Shareholder must ensure that Persons Connected with him abstain from voting on the resolution approving the transactions; and
  - The listed company immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed company exceeds the estimated value of the RRPT disclosed in the circular by 10% or more.

Where the Company has procured shareholders' mandate pursuant to Paragraph 10.09 of the Listing Requirements, the provisions of Paragraph 10.08 of the Listing Requirements will not apply.

#### B. Proposed Shareholders' Mandate

The principal activity of the Company is investment holding. As at LPD, the principal activities of its subsidiaries are as follows:-

Name of Subsidiaries	Effective Interest (%)	Principal activities
Held through AQL Aman, a wholly-owned subsidiary of M&G whose principal activity is investment holding (collectively referred to as the Upstream Division):		
JMM	70.00	Provision of offshore marine support services.
Held through MGMLH, a wholly-owned subsidiary of M&G whose principal activity is investment holding (collectively referred to as the Downstream Division):		
JML	100.00	Provision of marine logistics services.
MGT	100.00	Provision of marine logistics services.
MGS8	60.00	Provision of marine logistics services.
TKH Marine	100.00	Provision of marine logistics services.
JMSM	100.00	Provision of tanker management services.

The Board is seeking approval from the shareholders for the Proposed Shareholders' Mandate in respect of RRPT(s) to be entered into by M&G Group from the date of the forthcoming AGM to the next AGM. These RRPT(s) are conducted in the ordinary course of business with the Mandated Related Parties and are on normal commercial terms which are not more favourable to the Mandated Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

*(The rest of this page has been intentionally left blank)*

The Proposed Shareholders' Mandate, if approved by the shareholders at the AGM, will take effect from and include 28 October 2022, being the date of the forthcoming AGM, and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the next AGM; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) it is revoked or varied by a resolution passed by the shareholders in general meeting;

whichever is the earlier.

Thereafter, approval from shareholders will be sought for the Proposed Shareholders' Mandate at each subsequent AGM of the Company.

### C. Mandated Related Party

The Proposed Shareholders' Mandate will apply to the following classes of Mandated Related Party:-

Mandated Related Party	Principal Activities
MEB	Provision of oil and gas, marine, infrastructure, civil and structural engineering contract works.
MMESB (a wholly-owned subsidiary of MEB)	Provision of shipbuilding and ship repair services, ship leasing and other engineering works, and trading of marine supplies.
MOGSB (a wholly-owned subsidiary of MEB)	Provision of oil and gas, petrochemical engineering and related works.

### Relationship with Related Party

MEB holds 40% interest in MGS8. MGS8 is a 60% subsidiary of MGMLH, which in turn is a wholly-owned subsidiary of the Company.

*(The rest of this page has been intentionally left blank)*



**D. Details of the RRPT(s) under the Proposed Renewal of Shareholders' Mandate**

The types of RRPT which will be covered by the Proposed Renewal of Shareholders' Mandate are transactions of a revenue or trading nature which are necessary for the day-to-day operations of M&G Group and are on terms not more favourable to the Mandated Related Parties than those generally available to the public.

<b>Mandated Related Party(ies)</b>	<b>Nature of relationship</b>	<b>Nature of RRPT</b>	<b>Previous estimated value as disclosed in the Circular to Shareholders dated 30 September 2021 ("Estimated Value")</b>	<b>Actual value transacted from the last AGM to the LPD ("Actual Value")</b>	<b>Variance %</b>	<b>Variance Reason</b>	<b>Estimated value from this AGM (date of 25th AGM) to the next AGM (to be held in October 2023) ("New Estimated Value")</b>
MMESB	MMESB is a wholly-owned subsidiary of MEB	Provision of vessel docking services* to the Upstream Division	RM8.0 million	RM3.6 million	<0	N/A	RM9.9 million
		Provision of vessel repairs and maintenance services to the Upstream Division	RM4.0 million	RM1.3 million	<0	N/A	RM3.5 million
MOGSB	MOGSB is a wholly-owned subsidiary of MEB	Provision of vessel charter hire services to the Upstream Division	RM4.0 million	RM3.0 million	<0	N/A	RM4.5 million
MMESB	MMESB is a wholly-owned subsidiary of MEB	Provision of vessel charter hire services to JML	RM6.0 million	RM Nil	<0	N/A	RM Nil

\* Vessel docking services inclusive of major maintenance, retrofitting services and all its ancillary services.

(The rest of this page has been intentionally left blank)

**E. Details of the RRPT(s) under the Proposed New Shareholders' Mandate**

The types of RRPT which will be covered by the Proposed New Shareholders' Mandate are transactions of a revenue or trading nature which are necessary for the day-to-day operations of M&G Group and are on terms not more favourable to the Mandated Related Parties than those generally available to the public.

Mandated Related Party(ies)	Nature of relationship	Nature of RRPT	Actual value transacted from the last AGM to the LPD ("Actual Value")	Estimated value from this AGM (date of 25th AGM) to the next AGM (to be held in October 2023) ("New Estimated Value")
MMESB	MMESB is a wholly-owned subsidiary of MEB	Provision of vessel docking services* to the Downstream Division.	RM0.3 million	RM1.0 million
		Provision of vessel repairs and maintenance services to the Downstream Division.	-	RM1.0 million
		Provision of vessel charter hire services to the Downstream Division.	-	RM6.0 million

\* Vessel docking services inclusive of major maintenance, retrofitting services and all its ancillary services.

As at LPD, none of the Directors or Major Shareholders of M&G or Persons Connected to them has any interest, direct or indirect in the Proposed Shareholders' Mandate.

Nevertheless, the transactions involve the interest of the MEB Group, whereby MEB is a major shareholder of MGS8. MGS8, in turn, is a 60% subsidiary of M&G. Accordingly, the transactions with MEB, which are recurrent, of a revenue or trading nature and which are necessary for M&G Group's day-to-day operations and are in the ordinary course of business, are regarded as RRPT.

*(The rest of this page has been intentionally left blank)*

**F. Amount due and owing to M&G Group by the Mandated Related Party**

As at LPD, there is no amount due or owing to M&G Group by the Mandated Related Party which exceeds the credit terms. As such, the disclosures as required under Paragraphs 16A and 16B in Annexure PN12-A of the Listing Requirements are not applicable.

**G. Rationale for, and the benefit to, the Group for transacting with Mandated Related Party**

M&G Group has a long-standing business relationship of more than 20 years with the Mandated Related Party. The Mandated Related Party is a reliable service provider with a proven track record essential to the M&G Group for its businesses. The services provided by the Mandated Related Party are priced competitively and all transactions between M&G Group and the Mandated Related Party are carried out on an arm's length basis and on terms not more favourable to the Mandated Related Party than those generally available to the public. The Mandated Related Party also has a good track record of delivering satisfactory services to M&G Group even under tight deadlines to ensure that the Group is in turn able to fulfil its obligations to the oil majors. The close cooperation between M&G Group and the Mandated Related Party has reaped mutual benefits and has been and is expected to continue to be beneficial to the businesses of M&G Group.

In this regard, the Company would like to seek its shareholders' approval for the Proposed Shareholders' Mandate.

The Proposed Shareholders' Mandate is intended to facilitate transactions in the normal course of business of M&G Group which are transacted from time to time with the Mandated Related Party, provided that they are carried out at arm's length and on M&G Group's normal commercial terms and are not prejudicial to its shareholders and on terms not more favourable to the Mandated Related Party than those generally available to the public and are not to the detriment of the minority shareholders.

The procurement of the Proposed Shareholders' Mandate on an annual basis would eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when potential RRPT with the Mandated Related Party arise, thereby substantially reducing administrative time and expenses in convening such meetings, without compromising the corporate objectives and business opportunities available to M&G Group.

Disclosure will be made in the annual report of the Company of the aggregate value of RRPT conducted pursuant to the Proposed Shareholders' Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under the Listing Requirements. In making the disclosure, the Company must provide a breakdown of the aggregate value of the RRPT made during the financial year, amongst others, based on the following information:-

- (a) the type of RRPT made; and
- (b) the names of the Mandated Related Party involved in each type of the RRPT made and their relationship with the Group.

The above disclosure will also be made in the Company's annual report for subsequent financial years during which the shareholders' mandate remains in force.

*(The rest of this page has been intentionally left blank)*

## **H. Review Procedures / Practices for RRPT**

As a matter of practice, M&G Group ensures all commercial transactions, including RRPTs, are undertaken on an arm's length basis and on M&G Group's normal commercial terms and on terms not more favourable to the Mandated Related Party than those generally available to the public. The terms are consistent with M&G Group's usual business practices and policies, which are generally not more favourable to the Mandated Related Party than those extended to unrelated third party and are not to the detriment of the minority shareholders.

M&G Group's review method and procedures / practices governing RRPT are as follows:-

- Any transaction must be conducted at arm's length and on a commercial basis or better. Transactions with related parties should only be entered into after taking into account the pricing, quality of product, expertise and other related factors. The terms and conditions of the transactions should be determined by the product / service provider's usual commercial terms or in accordance with applicable industry norm.
- At least 2 other contemporaneous transactions with unrelated third party 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 Mandated Related Party are fair and reasonable and comparable to those offered to / by other unrelated third party for the same or substantially similar type of products / services and / or quantities. In the event that quotation or comparative pricing from unrelated third party cannot be obtained (for instance, if there are no unrelated third party vendors / customers of similar products / services, or if the product / service is a proprietary item), the price and terms of the RRPT will be in accordance with applicable industry norms, prevailing commercial rates and at rates not more favourable to the Mandated Related Party than those generally available to the public and are not detrimental to the Group or the minority shareholders.
- All RRPT with value equal to or exceeding RM0.5 million or more, must be reviewed by the Audit Committee of the Company to determine if such transaction was undertaken on an arm's length basis. The transaction must subsequently be approved by either the Board of Directors of M&G or transacting subsidiary based on their prevalent Financial Authority Limits. RRPT with value below the abovementioned threshold are reviewed and authorised at the managerial level, subject to the relevant company's Financial Authority Limits.
- Where any person(s) has an interest in the transactions to be reviewed, such person(s) shall abstain from deliberation and decision making in respect of that transaction.
- The annual internal audit plan shall incorporate a review of RRPT entered into pursuant to the Proposed Shareholders' Mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to.
- The Audit Committee shall review the internal audit report to ascertain that the procedures established to monitor RRPT have been complied with, and the review shall be done at every quarter together with the review of quarterly results.
- The Board and the Audit Committee have reviewed and shall continue to review the adequacy and appropriateness of the procedures as and when required, with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate.

## **I. Guidelines on Threshold of Authority**

All RRPT above RM0.5 million are subject to the review of the Audit Committee to determine if such transaction was undertaken on an arm's length basis and approval of the Board of either M&G or the transacting subsidiary.

*(The rest of this page has been intentionally left blank)*

## **J. Audit Committee's Statements**

With the support and assistance from the management, the Audit Committee will review the relevant RRPT.

The Audit Committee, comprising Datin Shelina binti Razaly Wahi (Chairperson), Shariffuddin bin Khalid, Tai Keat Chai and Kamarul Ariffin bin Mohd Jamil, has reviewed the procedures / practices mentioned in paragraph 2H above and is satisfied that the said procedures / practices are sufficient to ensure that the RRPT will be made with the Mandated Related Party in accordance with M&G Group's normal commercial terms and on terms not more favourable to the Mandated Related Party than those generally available to the public, and hence, not prejudicial to the shareholders nor disadvantageous to the Company and its subsidiaries and are not to the detriment of the minority shareholders.

The Audit Committee is of the view that M&G Group has in place adequate procedures / practices and processes to monitor, track and identify RRPT in a timely and orderly manner. These procedures / practices and processes are reviewed as and when needed.

## **3. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS AND / OR PERSONS CONNECTED TO THEM**

As at LPD, none of the Directors or Major Shareholders of M&G or Persons Connected to them have any interest, direct or indirect in the Proposed Shareholders' Mandate.

Nevertheless, the transactions involve the interest of the MEB Group, whereby MEB is a major shareholder of MGS8. Accordingly, the transactions with MEB Group, which are recurrent, of a revenue or trading nature and which are necessary for M&G Group's day-to-day operations and are in the ordinary course of business, are regarded as RRPT.

Notwithstanding that none of the Directors or Major Shareholders of M&G or Persons Connected to them have any interest, direct or indirect in the Proposed Shareholders' Mandate as at LPD:

- Interested Directors of M&G, if any, will abstain from all Board deliberations and voting in respect to the RRPTs set out in Paragraphs 2D and 2E of this Circular at the Board Meetings;
- The interested Directors, interested Major Shareholders and / or Persons Connected to them, if any, will abstain from voting on the resolution involving their direct and indirect shareholdings (if any) in respect of the Proposed Shareholders' Mandate at the forthcoming 25th AGM; and
- The interested Directors and / or interested Major Shareholders, will undertake to ensure that Persons Connected to them, if any, abstain from voting on the resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming 25th AGM.

## **4. CONDITION OF THE PROPOSED SHAREHOLDERS' MANDATE**

The Proposed Shareholders' Mandate is conditional upon the approval of the shareholders of M&G being obtained at the forthcoming AGM.

## **5. DIRECTORS' RECOMMENDATION**

The Board, having considered all aspects of the Proposed Shareholders' Mandate, is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Company and recommends that you vote in favour of the resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

*(The rest of this page has been intentionally left blank)*

## 6. AGM

The notice of the 25th AGM and the Proxy Form, which are despatched together with this Circular are also available for viewing on the Company's website at [www.marine-general.com.my](http://www.marine-general.com.my).

An extract of the Notice of the 25th AGM in relation to the Proposed Shareholders' Mandate is also enclosed in this Circular. The 25th AGM will be held on Friday, 28 October 2022 at 9.30 a.m. for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed Shareholders' Mandate pursuant to the agenda of Special Business as detailed in the Notice of 25th AGM.

You are urged to complete and deposit the Proxy Form at the Registered Office of the Company at Level 22, Axiata Tower, No. 9, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur either by hand or by post or via electronic means by fax to (03) 2273 8310 or email to [cosec@christopherleeong.com](mailto:cosec@christopherleeong.com) not less than twenty four (24) hours before the time appointed for taking of the poll for the 25th AGM or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting at the 25th AGM.

## 7. FURTHER INFORMATION

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

Yours faithfully  
For and on behalf of the Board of Directors  
**MARINE & GENERAL BERHAD**

**Tan Sri Mohammed Azlan bin Hashim**  
Executive Chairman

*(The rest of this page has been intentionally left blank)*

## FURTHER INFORMATION

### 1. DIRECTORS' RESPONSIBILITY

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

### 2. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) entered into by M&G and its subsidiaries within the past 2 years preceding the LPD.

### 3. MATERIAL LITIGATION

Save as disclosed below, neither M&G nor any of its subsidiaries is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Directors of M&G do not have any knowledge of any proceedings, pending or threatened, against M&G and / or its subsidiaries or of any facts likely to give rise to any proceedings which may materially affect the financial position or business of M&G and / or its subsidiaries.

Pursuant to the disposal of Sistem Lingkaran-Lebuhraya Kajang Sdn. Bhd. ("**SILK**") to Permodalan Nasional Berhad ("**PNB**") in 2017, the Company has agreed to indemnify PNB against all losses, costs, expenses, damages, claims and liabilities which may arise from the dispute between SILK and the landowners regarding the quantum of compensation payable for the compulsory acquisition of land falling under the Kajang Traffic Dispersal Ring Road ("**Expressway**") that was undertaken by SILK pursuant to the Concession Agreement.

In the SILK's funded stretch, there are 240 cases with claims amounting to RM503.7 million. Out of the 240 cases, 239 cases have been resolved and 1 case with claims of RM17.8 million is still pending Court hearing.

Pursuant to the Turnkey Contract dated 31 July 2001 between SILK and Sunway Construction Sdn. Bhd. ("**SCSB**"), the amount payable by SILK to SCSB for the land use payments (including expenses and charges incurred by SCSB for the acquisition of land and for removal or resettling of squatters or other occupants on the Expressway) has been contracted at a ceiling amount of RM215 million. Any further amounts that may be awarded by the Court beyond RM215 million will therefore be borne by SCSB.

Based on external legal advice, the Directors have concluded that it is unlikely that the Group and the Company will suffer an economic outflow from this one (1) remaining legal case. Therefore, no provision related to this case is made in the financial statements.

### 4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal office hours on Mondays to Fridays (except public holidays) at the Registered Office of M&G at Level 22, Axiata Tower, No. 9, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur from the date of this Circular up to the date of AGM:-

- (a) the Constitution of M&G;
- (b) the audited financial statements of M&G for the past 2 financial years ended 30 April 2021 and 30 April 2022 respectively; and
- (c) the relevant cause papers in respect of material litigation referred to in paragraph 3 above.

*(The rest of this page has been intentionally left blank)*



## EXTRACT OF NOTICE OF THE 25TH AGM

### AS SPECIAL BUSINESS

To consider and if thought fit, with or without modifications, to pass the following Ordinary Resolutions:

**7. Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate") (Resolution 8)**

"THAT subject always to the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and / or its subsidiary companies to give effect to the specific recurrent related party transactions of a revenue or trading nature with the Related Parties as set out in Sections 2D and 2E of the Circular to Shareholders dated 27 September 2022, provided that such arrangements and / or transactions are:

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for the day-to-day operations;
- (iii) carried out on arm's length basis, in the ordinary course of business and on terms which are not more favourable to the related parties than those generally available to the public; and
- (iv) are not to the detriment of the minority shareholders.

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

- (i) the conclusion of the next Annual General Meeting of the Company at which time it will lapse, unless by a resolution passed by the shareholders of the Company in a general meeting;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby empowered and authorised to complete and to do all such acts, deeds and things as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed Shareholders' Mandate, with full power to assent to any condition, modification, variation and / or amendment (if any) as may be imposed or permitted by the relevant authorities."

*(The rest of this page has been intentionally left blank)*