

THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad (“**Exchange**”) has not perused this Statement prior to its issuance as it is an exempt Statement. The Exchange takes no responsibility for the contents of this Statement, 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 Statement.



Registration No. 201001016854 (900557-M)
(Incorporated in Malaysia)

STATEMENT TO SHAREHOLDERS

in relation to the

**PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY
TO PURCHASE ITS OWN SHARES**

The resolution for the above proposal will be tabled as Special Business at Bermaz Auto Berhad’s Twelfth (12th) Annual General Meeting (“**AGM**”), which will be conducted on a virtual basis through live streaming from the broadcast venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan (“**Broadcast Venue**”) on **Thursday, 6 October 2022 at 10.00 a.m.** or any adjournment thereof via online remote voting using the Remote Participation and Electronic Voting (“**RPEV**”) facilities provided by the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd, from the online meeting platform at <https://meeting.boardroomlimited.my>.

The Notice of AGM together with the Form of Proxy and the Administrative Details are enclosed in the Annual Report 2022, which can be viewed and downloaded from the Company’s website at www.bauto.com.my or the Exchange’s website at www.bursamalaysia.com. Shareholders/proxy(ies) from the public will not be allowed to be physically present at the Broadcast Venue on the day of the AGM. Please follow the procedures set out in the Administrative Details for the AGM in order to register, participate and vote remotely via the RPEV facilities.

If you wish to appoint a proxy to participate and vote remotely via the RPEV facilities on your behalf at the AGM, you may deposit the hard copy of the Form of Proxy with the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or via electronic means through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> (Please follow the procedures stipulated in the Administrative Details) not less than forty-eight (48) hours before the time appointed for holding of the meeting or at any adjournment thereof.

This Statement is dated 30 August 2022.

DEFINITIONS

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

“Act”	:	The Companies Act 2016, including any amendment that may be made thereto from time to time
“AGM”	:	Annual General Meeting
“Annual Report 2022”	:	The annual report of BAUTO for the financial year ended 30 April 2022
“BAUTO” or “Company”	:	Bermaz Auto Berhad
“BAUTO ESS”	:	Employees’ Share Scheme of BAUTO for the grant of options and shares awards to eligible Directors and employees of the Group to subscribe for BAUTO Shares
“BAUTO Group” or “Group”	:	BAUTO and its subsidiary companies
“BAUTO Shares”	:	Ordinary shares in BAUTO
“Board”	:	Board of Directors
“Code”	:	Malaysian Code on Take-Overs and Mergers 2016 (including the Rules on Take-Overs, Mergers and Compulsory Acquisitions)
“Director”	:	Has the 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 six (6) months of the date on which the terms of the transaction were agreed upon, a Director of BAUTO, its subsidiary or holding company or a chief executive officer of BAUTO, its subsidiary or holding company
“DLKC”	:	Dato’ Lee Kok Chuan
“DMSB”	:	Dynamic Milestone Sdn Bhd
“DSYCS”	:	Dato’ Sri Yeoh Choon San
“EPS”	:	Earnings per share
“Exchange”	:	Bursa Malaysia Securities Berhad
“Family”	:	In relation to a person means such person who falls within any one of the following categories:- (a) spouse; (b) parent; (c) child including an adopted child and step-child; (d) brother or sister; and (e) spouse of the person referred to in subparagraphs (c) and (d) above.

DEFINITIONS (*cont'd*)

“Listing Requirements” : Exchange’s Main Market Listing Requirements, including any amendment that may be made from time to time

“Major Shareholder” : A person who has an interest or interests in one or more voting shares in BAUTO and the number or aggregate number of those shares, is:-

(a) 10% or more of the total number of voting shares in BAUTO; or

(b) 5% or more of the total number of voting shares in BAUTO where such person is the largest shareholder of BAUTO.

For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act. A major shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of BAUTO or any other company which is its subsidiary or holding company

“NA” : Net assets attributable to ordinary equity holders of BAUTO

“Person(s) Connected” : In relation to a Director or a Major Shareholder, means such person who falls under any one of the following categories:-

(a) a Family of the Director or Major Shareholder;

(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 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 where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;

(e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the 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; or

(g) a body corporate which is a related corporation of the Director or Major Shareholder.

“Prevailing Laws” : Any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities

DEFINITIONS *(cont'd)*

- “Proposed Share Buy Back” : Proposed renewal of authority for BAuto to purchase and/or hold BAuto Shares of up to 10% of the issued share capital of the Company
- “RM” and “sen” : Ringgit Malaysia and sen respectively
- “Shares Purchased” : BAuto Shares purchased under the Proposed Share Buy-Back
- “Treasury Shares” : BAuto Shares purchased by BAuto which are/will be retained in treasury

TABLE OF CONTENTS

STATEMENT TO THE SHAREHOLDERS OF BAUTO ON THE PROPOSED SHARE BUY-BACK	PAGE
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED SHARE BUY-BACK	1
3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK	3
4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK	3
5. EFFECTS OF THE PROPOSED SHARE BUY-BACK	4
6. PURCHASES, RESALE AND CANCELLATION OF TREASURY SHARES	7
7. HISTORICAL SHARE PRICES	7
8. IMPLICATION RELATING TO THE CODE	7
9. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS	8
10. DIRECTORS' RECOMMENDATION	8
11. FURTHER INFORMATION	8
EXTRACT OF RESOLUTION TO BE TABLED AT THE BAUTO TWELFTH AGM	9
APPENDIX I FURTHER INFORMATION	10

BERMAZ AUTO BERHAD

Registration No. 201001016854 (900557-M)

(Incorporated in Malaysia)

PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

1.0 INTRODUCTION

1.1 On 3 August 2022, the Board of BAUTO announced that the Company proposes to seek a shareholders' mandate to renew the authority for BAUTO to purchase its own shares on the Exchange of up to a maximum of 10% of the total number of issued shares. The maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits of the Company.

1.2 The purpose of this Statement is to provide you with the relevant details of the Proposed Share Buy-Back and to seek your approval for the ordinary resolution to be tabled at the forthcoming AGM, which will be conducted on a virtual basis through live streaming from the online meeting platform at <https://meeting.boardroomlimited.my> using the Remote Participation and Electronic Voting facilities.

2.0 DETAILS OF THE PROPOSED SHARE BUY-BACK

2.1 BAUTO had, at its last AGM held on 7 October 2021, obtained its shareholders' mandate for the Company to purchase its own shares and the aforesaid mandate will continue to be in force until the conclusion of the forthcoming AGM which will be held on 6 October 2022.

2.2 A new mandate is required from the shareholders of the Company to renew the authority to purchase up to ten percent (10%) of its issued share capital on the Exchange, subject to the compliance with Section 127 of the Act and the Prevailing Laws at the time of purchase. This new mandate from the shareholders of the Company will be effective immediately upon the passing of the ordinary resolution for the Proposed Share Buy-Back at the forthcoming AGM and will continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the AGM at which such ordinary resolution was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM after that date it is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

2.3 Based on the issued share capital of the Company as at 29 July 2022 of 1,163,964,288 BAUTO Shares, the number of shares that can be purchased by the Company is up to 116,396,428 BAUTO Shares representing up to 10% of the issued share capital of the Company inclusive of the 1,766,600 BAUTO Shares that have already been purchased and retained as Treasury Shares. As such, the balance that can be purchased by the Company is up to 114,629,828 BAUTO Shares.

As at 29 July 2022, BAUTO has outstanding BAUTO ESS options totalling 7,983,900 and BAUTO ESS shares to be awarded totalling 2,260,200. The issued share capital of the Company will increase due to the exercise of the BAUTO ESS options and/or the award of the BAUTO ESS shares. As such, the maximum number of ordinary shares that can be purchased by the Company is up to 10% of the enlarged issued share capital of the Company at the time of purchase less any Share Purchased and retained as Treasury Shares, which as at 29 July 2022 is 1,766,600.

- 2.4 The amount of funds to be allocated for the purchase of BAUTO Shares pursuant to the Proposed Share Buy-Back will be financed through internally generated funds and/or borrowings, the proportion of which will depend on the quantum of the cash consideration as well as the availability of internally generated funds and/or borrowings at the time of the purchase(s). In the event the Proposed Share Buy-Back is to be partly financed by borrowings, the Company expects that it will be capable of repaying the borrowings and that the borrowings will not have any material impact on the cash flow of BAUTO Group. In addition, the Board of BAUTO will ensure that the Company satisfies the solvency test as stated in Section 112(2) of the Act before implementing the Proposed Share Buy-Back.
- 2.5 The actual number of Shares Purchased, the total amount of funds to be utilised for each purchase and the timing of any purchase will depend on, inter-alia, the market conditions and sentiments of the stock market, the availability of financial resources and the retained profits of the Company. The total consideration for the Proposed Share Buy-Back shall not exceed the retained profits of the Company. The retained profits of the Company as per audited financial statements as at 30 April 2022 is set out below:-

	Audited as at 30 April 2022 RM'000
Retained profits	59,350
Consideration of Treasury Shares already purchased	<u>(2,781)</u>
Balance limit of funds available	<u><u>56,569</u></u>

- 2.6 The Board of BAUTO may resolve to cancel all the Shares Purchased, or retain all the Shares Purchased as Treasury Shares, or retain part thereof as Treasury Shares and subsequently cancelling the balance.

In the event that the Board of BAUTO resolves to cancel or retain the Shares Purchased, the BAUTO Group would expect to enhance its EPS and thereby investors are expected to enjoy a corresponding increase in the value of their investments in the Company.

If the Shares Purchased are to be kept as Treasury Shares, it may be realised with potential gain without affecting the total issued share capital of the Company. The Company may also utilise the Treasury Shares as share dividends to the its shareholders depending on the availability of profits of the Company and/or resell the Treasury Shares in the open market to profit from any subsequent price appreciation of the BAUTO Shares. The Treasury Shares may be transferred for the purpose of an employees' share scheme or as purchase consideration.

- 2.7 BAUTO may only purchase its own shares on the Exchange at prices which are not more than fifteen percent (15%) above the weighted average market price of the BAUTO Shares for the five (5) market days immediately before the purchase(s).

The Company may only resell the Treasury Shares on the Exchange at:

- (a) prices which are not less than the weighted average market price of the BAUTO Shares for the five (5) market days immediately before the resale; or
- (b) at a discounted price of not more than 5% to the weighted average market price of the BAUTO Shares for the five (5) market days immediately before the resale provided that:
 - (i) the resale takes place not earlier than 30 days from the date of purchase; and
 - (ii) the resale price is not less than the cost of purchase of the BAUTO Shares being resold.

2.8 The Proposed Share Buy-Back will be in accordance with the Prevailing Laws at the time of the purchase including compliance with twenty-five percent (25%) shareholding spread as required by the Listing Requirements. Based on the public shareholding spread of the Company as at 29 July 2022 of 65.62% and assuming that the Proposed Share Buy-Back is implemented in full with the purchase entirely from the public, whilst the shareholdings of the Directors and substantial shareholders of BAUTO and/or persons connected with them will remain the same and all Shares Purchased will be retained either as Treasury Shares or cancelled, the public shareholding spread of BAUTO is expected to reduce to 61.86%.

3.0 RATIONALE FOR THE PROPOSED SHARE BUY-BACK

3.1 The Proposed Share Buy-Back will enable the Company to utilise any of its surplus financial resources to purchase its own shares which may have positive impact on the market price of BAUTO Shares. The Proposed Share Buy-Back, if implemented, may help to stabilise the supply and demand of the BAUTO Shares traded on the Exchange and thereby supporting its fundamental value.

3.2 The Proposed Share Buy-Back may also improve the future EPS of the Group and the return on equity as a result of a reduced share capital base if the Shares Purchased are subsequently cancelled.

3.3 If the Shares Purchased are to be retained as Treasury Shares, it will provide an option for the Company to resell the Treasury Shares at a higher price and generate capital gain for the Company. Alternatively, it may be distributed as share dividends to reward BAUTO's shareholders in the future.

4.0 POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

4.1 The potential advantages of the Proposed Share Buy-Back are as follows: -

- (a) allows the Company to take preventive measures against speculation particularly when the BAUTO Shares are undervalued; and
- (b) allows the Company flexibility in attaining its desired capital structure.

4.2 The potential disadvantages of the Proposed Share Buy-Back are as follows: -

- (a) the Proposed Share Buy-Back will reduce the surplus financial resources of the Group and may result in the Group foregoing better investment opportunities that may emerge in future; and
- (b) as the Proposed Share Buy-Back can only be made out of retained profits of the Company, it will result in the reduction of financial resources available for distribution to shareholders in the immediate future.

4.3 Nevertheless, the Board of BAUTO will be mindful of the interests of BAUTO and its shareholders in implementing the Proposed Share Buy-Back and its subsequent decisions in handling such Shares Purchased.

5.0 EFFECTS OF THE PROPOSED SHARE BUY-BACK

5.1 Issued Share Capital

- 5.1.1 If the Shares Purchased are to be retained in full as Treasury Shares, the Proposed Share Buy-Back will not have any effect on the issued share capital of BAUTO. However, the rights attaching to them as to voting, dividends and participation in other distributions and 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 for any purpose including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.
- 5.1.2 The issued share capital of BAUTO will decrease if the Shares Purchased are cancelled. The proforma effect of the Proposed Share Buy-Back on the issued share capital of the Company assuming BAUTO purchases and subsequently cancels up to 10% of the existing issued share capital is as follows:-

	No. of BAUTO Shares
Issued share capital as at 29 July 2022	1,163,964,288
Assuming all Shares Purchased are to be cancelled pursuant to the Proposed Share Buy-Back*	(116,396,428)
Resultant issued share capital	<u>1,047,567,860</u>

* *Inclusive of the 1,766,600 BAUTO Shares as at 29 July 2022 that have been purchased and retained as Treasury Shares.*

5.2 NA and EPS

5.2.1 NA

The NA per share may be increased or decreased, depending on the purchase price and the number of Shares Purchased. Should the purchase price per Share Purchased exceeds its existing NA per share at the time of purchase, the resultant NA per share should decrease accordingly. Conversely, should the purchase price per Share Purchased be lower than its existing NA per share at the time of purchase, the resultant NA per share should increase accordingly.

5.2.2 EPS

The effects of the Proposed Share Buy-Back on the EPS of BAUTO would depend on the number of Shares Purchased.

5.3 Working Capital

The Proposed Share Buy-Back is likely to reduce the working capital of the Group, the quantum of which will depend on the actual purchase price and number of Shares Purchased.

5.4 Dividends

The Proposed Share Buy-Back may reduce the amount of distributable reserves available for payment of dividends in the immediate future.

5.5 Directors' and Substantial Shareholders' Shareholdings

5.5.1 Directors

The effects of the Proposed Share Buy-Back on the shareholdings of the Directors of BAuto based on the Register of Directors as at 29 July 2022, are as follows:-

	No. of BAuto Shares as at 29 July 2022				No. of BAuto Shares after the Proposed Share Buy-Back			
	Direct	% ¹	Indirect	% ¹	Direct	% ²	Indirect	% ²
DSYCS	3,530,600	0.30	168,473,300 ^(a)	14.50	3,530,600	0.34	168,473,300 ^(a)	16.08
DLKC	3,525,625	0.30	168,473,300 ^(a)	14.50	3,525,625	0.34	168,473,300 ^(a)	16.08
Datuk Syed Hisham bin Syed Wazir	-	-	-	-	-	-	-	-
Dato' Kalsom binti Abd. Rahman	-	-	-	-	-	-	-	-
Puan Adibah Khairiah binti Ismail @ Daud	-	-	-	-	-	-	-	-
Mr Martin Giles Manen	-	-	-	-	-	-	-	-
Dato' Wan Kamaruzaman bin Wan Ahmad	-	-	-	-	-	-	-	-

Notes:-

1 Calculated based on 1,162,197,688 BAuto Shares as at 29 July 2022.

2 Calculated based on 1,047,567,860 BAuto Shares where it is assumed that the Proposed Share Buy-Back is undertaken in full and that the maximum of 116,396,428 Shares Purchased (including the 1,766,600 BAuto Shares that have been purchased and retained as Treasury Shares) representing 10% of the issued share capital of BAuto as at 29 July 2022 of 1,163,964,288 BAuto Shares, are to be retained as Treasury Shares and/or to be cancelled.

(a) Deemed interested by virtue of his interest in DMSB.

5.5.2 Substantial Shareholders

The effects of the Proposed Share Buy-Back on the shareholdings of the substantial shareholders of BAUTO based on the Register of Substantial Shareholders as at 29 July 2022 are as follows:-

	No. of BAUTO Shares as at 29 July 2022				No. of BAUTO Shares after the Proposed Share Buy-Back			
	Direct	% ¹	Indirect	% ¹	Direct	% ²	Indirect	% ²
DMSB	168,473,300	14.50	-	-	168,473,300	16.08	-	-
DSYCS	3,530,600	0.30	168,473,300 ^(a)	14.50	3,530,600	0.34	168,473,300 ^(a)	16.08
DLKC	3,525,625	0.30	168,473,300 ^(a)	14.50	3,525,625	0.34	168,473,300 ^(a)	16.08
Dato' Amer Hamzah Bin Ahmad	4,444,000	0.38	168,473,300 ^(a)	14.50	4,444,000	0.42	168,473,300 ^(a)	16.08
Employees Provident Fund Board	212,168,875	18.26	-	-	212,168,875	20.25	-	-
Kumpulan Wang Persaraan (Diperbadankan)	28,880,400	2.49	34,888,060	3.00	28,880,400	2.76	34,888,060	3.33
Abrdn plc (formerly known as Standard Life Aberdeen PLC)	-	-	71,330,200	6.14	-	-	71,330,200	6.81
Aberdeen Asset Management PLC	-	-	71,330,200	6.14	-	-	71,330,200	6.81
Abrdn Malaysia Sdn Bhd (formerly known as Aberdeen Standard Investments (Malaysia) Sdn Bhd)	-	-	69,765,700	6.00	-	-	69,765,700	6.66
Prudential Plc	-	-	62,613,740	5.39	-	-	62,613,740	5.98

Notes:-

1 Calculated based on 1,162,197,688 BAUTO Shares as at 29 July 2022.

2 Calculated based on 1,047,567,860 BAUTO Shares where it is assumed that the Proposed Share Buy-Back is undertaken in full and that the maximum of 116,396,428 Shares Purchased (including the 1,766,600 BAUTO Shares that have been purchased and retained as Treasury Shares) representing 10% of the issued share capital of BAUTO as at 29 July 2022 of 1,163,964,288 BAUTO Shares, are to be retained as Treasury Shares and/or to be cancelled.

(a) Deemed interested by virtue of his interest in DMSB.

6.0 PURCHASES, RESALE AND CANCELLATION OF TREASURY SHARES

6.1 During the preceding twelve (12) months up to 29 July 2022, the Company did not purchase any of its own shares.

6.2 During the preceding twelve (12) months up to 29 July 2022, the Company had transferred 732,600 Treasury Shares, details of which are as follows:-

Date	No. of Treasury Shares transferred (units)	Lowest resale price (RM)	Highest resale price (RM)	Average transfer price (RM)	Total cost of transfer (RM'000)
18 November 2021	732,600	N/A*	N/A*	1.574 [#]	1,153

* N/A – Not applicable

[#] Based on 5-day weighted average price prior to date of transfer

6.3 As at 29 July 2022, there were 1,766,600 BAUTO Shares held as Treasury Shares by the Company. No cancellation of BAUTO Shares was made in the preceding twelve (12) months.

7.0 HISTORICAL SHARE PRICES

7.1 The table below sets out the monthly highest and lowest prices of BAUTO Shares as transacted on the Exchange for the preceding twelve (12) months:

	High (RM)	Low (RM)
2021		
August	1.64	1.46
September	1.65	1.51
October	1.71	1.54
November	1.65	1.47
December	1.60	1.48
2022		
January	1.71	1.57
February	1.86	1.61
March	1.83	1.59
April	1.88	1.70
May	1.82	1.73
June	1.82	1.68
July	1.82	1.69
Last transacted market price of BAUTO Shares as at 29 July 2022		RM1.77

(Source: : <https://www.wsj.com/market-data/quotes/MY/5248/historical-prices>)

8.0 IMPLICATION RELATING TO THE CODE

8.1 As BAUTO has no intention for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory general offer under the Code by any of its substantial shareholders and/or parties acting in concert with them, the Board of BAUTO will ensure that only such number of BAUTO Shares are purchased, retained as Treasury Shares, cancelled or distributed such that the Code will not be triggered.

8.2 The Board of BAUTO is aware of the requirements of the Code and will be mindful of the requirements when making any purchase of the BAUTO Shares pursuant to the Proposed Share Buy-Back.

9.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

9.1 Save for the consequential increase in percentage of shareholdings and/or voting rights in BAUTO by the Directors, major shareholders and/or persons connected with them as a result of the implementation of the Proposed Share Buyback, which will similarly affect all other shareholders of BAUTO, none of the Directors, major shareholders and/or persons connected with them has any interest, direct or indirect, in the Proposed Share Buy-Back or in subsequent resale of Treasury Shares, if any.

10.0 DIRECTORS' RECOMMENDATION

10.1 The Directors of BAUTO, having considered all aspects of the Proposed Share Buy-Back, are of the opinion that the Proposed Share Buy-Back is in the best interest of the Group. Accordingly, they recommend that you vote in favour of the ordinary resolution in respect of the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

11.0 FURTHER INFORMATION

11.1 Shareholders are requested to refer to the Appendix I for further information.

EXTRACT OF RESOLUTION TO BE TABLED AT THE BAUTO TWELFTH AGM

ORDINARY RESOLUTION - PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

“THAT, subject always to the Companies Act 2016 (“Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Exchange”) and the requirements of any other relevant authority, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares in the Company (“BAuto Shares”) through the Exchange and to take all such steps as are necessary (including the opening and/or maintaining of a central depositories account under the Securities Industry (Central Depositories) Act, 1991, where applicable) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-

1. the maximum number of ordinary shares which may be purchased and held by the Company shall be equivalent to ten per centum (10%) of the total number of issued shares of the Company;
2. the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits of the Company;
3. the authority shall commence immediately upon passing of this ordinary resolution until:-
 - (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the AGM at which such ordinary resolution was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (b) the expiration of the period within which the next AGM after that date it is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;

AND THAT upon completion of the purchase(s) of the BAUTO Shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to deal with any BAUTO Shares so purchased by the Company in the following manner:-

- (a) cancel all the BAUTO Shares so purchased; or
- (b) retain all the BAUTO Shares as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act); or
- (c) retain part thereof as treasury shares and subsequently cancelling the balance; or
- (d) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Exchange and any other relevant authority for the time being in force.”

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the Registered Office of BAuto at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, during normal office hours from Monday to Friday (except public holidays) from the date of this Statement up to the time set for convening the AGM:

- (i) The Constitution of BAuto; and
- (ii) The audited consolidated financial statements of BAuto for the past two (2) financial years ended 30 April 2021 and 30 April 2022.