

**THIS CIRCULAR IS IMPORTANT AND REQUIRES SHAREHOLDERS' IMMEDIATE ATTENTION.**

**If shareholders are in any doubt as to the course of action to be taken, they should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.**

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**CSH ALLIANCE  
BERHAD**

**CSH ALLIANCE BERHAD**  
(Registration No. 200001002113 (504718-U))  
(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")**

The Twenty-Second Annual General Meeting ("**22nd AGM**") of CSH will be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 29 November 2022 at 10:00 a.m., or any adjournment thereof. The Notice of the 22nd AGM, together with the Form of Proxy, are set out in the Notification to Shareholders and the Company's 2022 Annual Report, which is available to be downloaded from the Company's website at [www.cshalliance.com.my](http://www.cshalliance.com.my).

Shareholders who are not able to attend and vote at the 22nd AGM are entitled to appoint proxy/proxies to attend and vote on their behalf by completing the Form of Proxy and depositing it at the office of the Company's Share Registrar, Mega Corporate Services Sdn Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan or via electronic means through email to [mega-sharereg@megacorp.com.my](mailto:mega-sharereg@megacorp.com.my) or via facsimile at 03-2732 5388 not less than 48 hours before the time fixed for the 22nd AGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 22nd AGM if you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Sunday, 27 November 2022 at 10.00 a.m.

Date and time of the 22nd AGM : Tuesday, 29 November 2022 at 10.00 a.m.

This Circular is dated 28 October 2022

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## DEFINITIONS

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

### COMPANIES:

“AEV”	Alliance EV Sdn Bhd, a wholly-owned subsidiary of CSH
“APMSB”	: Asian Pottery Manufacturers Sdn Bhd, a wholly-owned subsidiary of CSH
“APPI”	: APPI Sdn Bhd, a wholly-owned subsidiary of CSH
“APSB”	Arena Progresif Sdn Bhd
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“ChipSengHeng”	: ChipSeng Heng Holdings Sdn Bhd
“ChipSengHeng Enterprise”	: ChipSeng Heng Enterprise Sdn Bhd
“CSH” or “Company”	: CSH Alliance Berhad
“CSH Group” or “Group”	: The Company and its subsidiaries, collectively, (including all future subsidiaries which are acquired/incorporated by CSH before the next AGM of the Company) as defined in the Act
“CSH Network”	: CSH Network Capital Sdn Bhd, a wholly-owned subsidiary of the Company
“CSH Priority”	: CSH Priority Sdn Bhd, a wholly-owned subsidiary of the Company
“CSH Solutions”	: CSH Solutions Sdn Bhd, a wholly-owned subsidiary of the Company
“LCEL”	: Line Clear Express & Logistics Sdn Bhd (a logistics and courier company in which CSH owns a 15% equity interest)
“LCV”	: Line Clear Ventures Holdings Sdn Bhd
“Line Haul”	: Line Haul Sdn Bhd, a wholly-owned subsidiary of the Company
“MMAG Group”	: MMAG Holdings and its subsidiaries, collectively (including all future subsidiaries which are acquired/incorporated by MMAG Holdings before the next AGM of CSH) as defined in the Act
“MMAG Holdings”	: MMAG Holdings Berhad
“MRDSB”	: Million Rich Development Sdn Bhd, a wholly-owned subsidiary of the Company

### GENERAL:

“Act”	: Companies Act 2016
“AGM”	: Annual General Meeting of the Company
“Board”	: Board of Directors of the Company
“Circular”	: This circular to shareholders dated 28 October 2022
“CSH Shares” or “Shares”	: Ordinary shares in CSH

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**DEFINITIONS (CONT'D)**

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- “Director” : A natural person who holds a directorship in the Company, whether in an executive or non-executive capacity and shall have the meaning given in Section 2(1) of Act and Section 2(1) of the Capital Markets and Services Act 2007
- It includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a Director or a chief executive of the Company, its subsidiary or holding company
- “Interested Related Party” : A related party with any interest, direct or indirect
- “Last Mile Logistics” : The last leg of supply chain operations of the product’s journey from a warehouse to the doorstep of the end-customer
- “Listing Requirements” : Main Market Listing Requirements of Bursa Securities
- “LPD” : Latest practicable date prior to printing of this Circular dated 18 October 2022
- “Major Shareholder(s)” : As defined in the Listing Requirements, and means a person who has an interest or interests in one (1) or more voting shares in the Company and the number or aggregate number of those shares, is:
- (i) 10% or more of the total number of voting shares in the Company; or
  - (ii) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.
- For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act, and 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 the Company or any other company which is its subsidiary or holding company
- “Person(s) Connected” : Any person (referred to as “**said Person**”) who falls under any one (1) of the following categories:
- (i) a family member of the said Person;
  - (ii) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;
  - (iii) a partner of the said Person;
  - (iv) 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 said Person;
  - (v) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes of the said Person is accustomed or is under an obligation, whether formal or informal, to act;

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**DEFINITIONS (CONT'D)**

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- (vi) a body corporate in which the said Person or persons connected with the said Person 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
  - (vii) a body corporate which is a related corporation of the said Person
- “Proposed Renewal of Shareholders’ Mandate” : Proposed renewal of shareholders’ mandate for RRPTs to be entered into by CSH Group from the date of the 22nd AGM until the next AGM as set out in Section 2.2 of this Circular
- “Related Party(ies)” : As defined in the Listing Requirements, a Director, Major Shareholder, or Person Connected with such Director or Major Shareholder
- “Related Corporation” : As defined in the Listing Requirements, a corporation which is:
- (i) the holding company of another corporation;
  - (ii) a subsidiary of another corporation;
  - (iii) or a subsidiary of the holding company of another corporation
- “Related Party Transactions” or “RPTs” : Transactions entered into by the Company or its subsidiaries which involve the interest, direct or indirect, of Related Party(ies)
- “Recurrent Related Party Transactions” or “RRPTs” : Related Party Transactions which are recurrent, of a revenue or trading nature, which are necessary for the day-to-day operations of CSH Group and are entered into by CSH Group in its ordinary course of business involving the direct and/or indirect interests of Related Party(ies)
- “RM” and “sen” : Ringgit Malaysia and sen, respectively

All references to “we”, “us”, “our”, and “ourselves” are to our Company, or where the context requires, are to our Group. All references to “you” in this Circular are references to the shareholders of the Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa, and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

Reference to persons shall include a corporation unless otherwise specified. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time unless otherwise specified.

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**CSH ALLIANCE  
BERHAD**

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(Registration No. 200001002113 (504718-U))  
(Incorporated in Malaysia)

**Registered Office:**

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

28 October 2022

**Board of Directors**

Ahmad Ruslan Zahari Bin Zakaria (*Independent Non-Executive Chairman*)  
Sim Chiun Wee (*Executive Director*)  
Tan Yip Jiun (*Executive Director*)  
Peter Yap (*Executive Director*)  
Kenny Khaw Chuan Wah (*Executive Director*)  
Chong Koon Meng (*Executive Director*)  
Lim Peng Tong (*Independent Non-Executive Director*)  
Ng Keok Chai (*Independent Non-Executive Director*)

**To: Shareholders of CSH**

Dear Shareholders,

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

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**1. INTRODUCTION**

The Board had on 18 October 2022 announced that the Company proposed to seek shareholders' approval for the Proposed Renewal of Shareholders' Mandate at the forthcoming 22nd AGM.

The purpose of this Circular is to provide the shareholders of CSH with the details of the Proposed Renewal of Shareholders' Mandate and to seek shareholders' approval in respect of the Ordinary Resolutions pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 22nd AGM of the Company, or any adjournment thereof. The Notice of the 22nd AGM is set out in the Notification to Shareholders and the Company's 2022 Annual Report, which is available to be downloaded from the Company's website at <https://www.cshalliance.com.my>.

**ACCORDINGLY, SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AT THE FORTHCOMING 22ND AGM TO BE CONVENED.**

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

### 2.1 Background

Paragraph 10.09(2) of the Listing Requirements allows a listed issuer to seek its shareholders' mandate in respect of RRPT subject to, inter-alia, the following:

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) the shareholder mandate is subject to annual renewal, and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholder mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under paragraph 10.09(1) of the Listing Requirements;
- (iii) the issuance of a circular to shareholders by the listed issuer, which includes the information as may be prescribed by Bursa Securities, together with a checklist showing compliance with such information;
- (iv) in a meeting to obtain the shareholder mandate, the interested director, interested major shareholder, or interested person connected with a director or major shareholder, and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder must not vote on the resolution to approve the RRPT. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution to seek the shareholders' mandate; and
- (v) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are as follows:

<b>Name of Direct Subsidiary</b>	<b>Place of Incorporation</b>	<b>Effective equity interest</b>	<b>Principal activities</b>
AEV	Malaysia	100%	Sale and distribution of motor vehicles and electrical vehicles and providing related after-sales services as well as sales and trading of related spare parts and any other related businesses
APPI	Malaysia	100%	Investment holding, provision of management services and manufacture, trade-in, import and export of all kinds of clay products
Asian Earthenware Sdn Bhd	Malaysia	100%	Manufacture other porcelain and ceramic products
Asian Porcelain Sdn Bhd	Malaysia	100%	Manufacture other porcelain and ceramic products
Asian Pottery (Penang) Sdn Bhd	Malaysia	100%	Marketing of pottery and porcelain products, ceramic wares, and ornaments

<b>Name of Direct Subsidiary</b>	<b>Place of Incorporation</b>	<b>Effective equity interest</b>	<b>Principal activities</b>
Asian Pottery Home & Garden Sdn Bhd	Malaysia	100%	Retail, trading, and wholesale of all kinds of clay products such as pottery, ceramics, and porcelain products
APMSB	Malaysia	100%	Manufacture other porcelain and ceramic products
Asiarise Holdings Sdn Bhd	Malaysia	100%	Retail, trading, and wholesale of all kinds of clay products and landscaping services
Bio Beacon Supply Sdn Bhd	Malaysia	100%	Manufacturing and trading in masks and other related products
CSH Network	Malaysia	100%	Moneylending business
CSH Priority	Malaysia	100%	Providing hire purchase financing
CSH Solutions	Malaysia	100%	Providing information technology (“IT”) solutions and other IT-related services
Instant Initiative Sdn Bhd	Malaysia	100%	Property investment
KTG Marine (M) Sdn Bhd	Malaysia	100%	Marine construction and coastal reclamation works
Line Haul	Malaysia	100%	Transportation and logistics services
MRDSB	Malaysia	100%	Property development and other related services
Omnipack Sdn Bhd	Malaysia	80%	Manufacturing and trade-in styrofoam box and other packing business
Oriwina Sdn Bhd	Malaysia	100%	Manufacturing and trading of ceramic wares
Profit Sunland Sdn Bhd	Malaysia	100%	Property construction and related businesses
Sunmark Point Sdn Bhd	Malaysia	100%	Investment holding and property investment activity
Titanium Hallmark Sdn Bhd	Malaysia	100%	Property development and other related services
Metro Craft Sdn Bhd (Held by APMSB)	Malaysia	100%	Investment holding



It is anticipated that the CSH Group would, in the ordinary course of its business, enter into RRPTs, which are necessary for the day-to-day operations with the class of Related Parties, which is disclosed in **Section 2.2** of this Circular. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

In the interest of time and in view of the frequent nature of such RRPTs, the Board is seeking for the shareholders' approval for the Proposed Renewal of Shareholders' Mandate, which would allow CSH to enter into the RRPTs with the classes of Related Parties as set out in **Section 2.2** of this Circular, provided that such transactions are necessary for its day-to-day operations, in the ordinary course of its business and are carried out on normal commercial terms and are on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The Proposed Renewal of Shareholders' Mandate is subject to annual renewal and will take effect from the date the Ordinary Resolutions are passed by the shareholders at the forthcoming 22nd AGM to be convened and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company, at which time it will lapse unless, by a resolution passed at the next AGM, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company is 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
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting before the next AGM ,

whichever is the earlier.

If the Board decides that the Proposed Renewal of Shareholders' Mandate sought herein is desirable, shareholders' approval for the renewal of such will be sought at each subsequent AGM of the Company.

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**2.2 Class of Related Parties**  
**Proposed Renewal of Shareholders' Mandate**

The details of the RRPTs, including the classes of Related Parties with whom the RRPTs have been and will be carried out, and the nature of such transactions contemplated, would be as below:-

(a) RRPTs entered into between ChipSengHeng Enterprise and CSH Group

Transacting Parties	Interested Related Parties	Nature of Transactions	Mandate value obtained from shareholders at the AGM held on 29.11.2021		Actual value transacted from 29.11.2021 to LPD		Estimated value (during the Proposed Renewal of Shareholders' Mandate Period) <sup>@</sup>	
			Receivable by CSH Group (RM'000)	Payable by CSH Group (RM'000)	Receivable by CSH Group (RM'000)	Payable by CSH Group (RM'000)	Receivable by CSH Group (RM'000)	Payable by CSH Group (RM'000)
ChipSengHeng Enterprise and CSH Group	Tan Yip Jiun, Tan Yow Hua, and ChipSengHeng	Renting of trucks	-	7,000	-	513	-	7,000
		Provision of haulage and transportation services as well as other related logistics services	-	50,000	-	7,862	-	50,000

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Transacting Parties	Interested Related Parties	Nature of Transactions	Mandate value obtained from shareholders at the EGM held on 03.06.2022		Actual value transacted from 03.06.2022 to LPD		Estimated value (during the Proposed Renewal of Shareholders' Mandate Period) <sup>@</sup>	
			Receivable by CSH Group (RM'000)	Payable by CSH Group (RM'000)	Receivable by CSH Group (RM'000)	Payable by CSH Group (RM'000)	Receivable by CSH Group (RM'000)	Payable by CSH Group (RM'000)
ChipSengHeng Enterprise and CSH Group	Tan Yip Jiun, Tan Yow Hua, and ChipSengHeng	Purchase of trucks (Prime mover/Rigid) to provide haulage and hub-to-hub delivery services by transporting customers' goods between hubs	-	9,000	-	-	-	9,000

Notes:

<sup>@</sup> The Proposed Renewal of Shareholders' Mandate period shall be from the date of the 22nd AGM to the next AGM of the Company in the year 2023. The estimated values as set up above are based on Management estimates, and the value of the transactions may vary and be subject to changes.

Nature of relationships:

- i. Tan Yip Jiun, being an Executive Director and a Major Shareholder of the Company via his indirect shareholdings in the Company through ChipSengHeng (a major shareholder of the Company), is also a Director and Major Shareholder of ChipSengHeng Enterprise.
- ii. Tan Yow Hua, who is the father of Tan Yip Jiun and a Major Shareholder of the Company via his indirect shareholdings in the Company through ChipSengHeng (a major shareholder of the Company), is also a Director and Major Shareholder of ChipSengHeng Enterprise.

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(b) RRPTs entered into between MMAG Group and CSH Group

Transacting Parties	Interested Related Parties	Nature of Transactions	Mandate value obtained from shareholders at the AGM held on 29.11.2021		Actual value transacted from 29.11.2021 to LPD		Estimated value (during the Proposed Renewal of Shareholders' Mandate Period) <sup>@</sup>	
			Receivable by CSH Group (RM'000)	Payable by CSH Group (RM'000)	Receivable by CSH Group (RM'000)	Payable by CSH Group (RM'000)	Receivable by CSH Group (RM'000)	Payable by CSH Group (RM'000)
LCEL and CSH Group	Kenny Khaw Chuan Wah, Chong Koon Meng, Chan Swee Ying, and MMAG Holdings	Renting of trucks	-	4,000	-	94	-	4,000
CSH Solutions and MMAG Group		Provision of IT solutions/platform, known as "Premier Integrated Parcel Autonomous" System related to logistics business process as well as other IT related services to MMAG Group	10,000	-	-	-	10,000	-
CSH Group and MMAG Group		Provision of haulage and transportation services as well as other related logistics services to MMAG Group	50,000	-	14,757	-	50,000	-
MMAG Group and CSH Group		Provision of Last Mile Logistics and other related logistics services	-	10,000	-	-	-	10,000
CSH Group and MMAG Group		Supply of packaging materials for logistics services to MMAG Group	20,000	-	12	-	20,000	-

Transacting Parties	Interested Related Parties	Nature of Transactions	Mandate value obtained from shareholders at the EGM held on 03.06.2022		Actual value transacted from 03.06.2022 to LPD		Estimated value (during the Proposed Renewal of Shareholders' Mandate Period) <sup>@</sup>	
			Receivable by CSH Group (RM'000)	Payable by CSH Group (RM'000)	Receivable by CSH Group (RM'000)	Payable by CSH Group (RM'000)	Receivable by CSH Group (RM'000)	Payable by CSH Group (RM'000)
LCEL and CSH Group	Kenny Khoo Chuan Wah, Chong Koon Meng, Chan Swee Ying, and MMAG Holdings	Purchase of trucks (Prime mover/Rigid/17.5 tonnes trucks) to provide haulage and hub-to-hub delivery services by transporting customers' goods between hubs	-	3,000	-	615	-	10,000
LCEL and AEV		Sales of motor vehicles and electrical vehicles	30,000	-	-	-	30,000	-
LCEL and AEV		Provision of after-sales services, including but not limited to maintenance, warranty packages, supplying of charging services, spare parts and etc.	3,000	-	-	-	3,000	-
LCEL and CSH Priority		Provision of hire purchase financing	50,000	-	-	-	50,000	-
LCEL and CSH Network		Provision of money lending financing	10,000	-	-	-	10,000	-

Transacting Parties	Interested Related Parties	Nature of Transactions	Mandate value obtained from shareholders at the EGM held on 03.06.2022		Actual value transacted from 03.06.2022 to LPD		Estimated value (during the Proposed Renewal of Shareholders' Mandate Period) <sup>@</sup>	
			Receivable by CSH Group (RM'000)	Payable by CSH Group (RM'000)	Receivable by CSH Group (RM'000)	Payable by CSH Group (RM'000)	Receivable by CSH Group (RM'000)	Payable by CSH Group (RM'000)
MMAG Group and CSH Group	Kenny Khaw Chuan Wah, Chong Koon Meng, Chan Swee Ying, and MMAG Holdings	Rental of office space located at Level 2, No. 3, Jalan TP2, Taman Perindustrian UEP Subang Jaya, Selangor Darul Ehsan inclusive of utilities and other miscellaneous expenses ("Office Space") <sup>#</sup>	-	360	-	119	-	360

Notes:

<sup>@</sup> The Proposed Renewal of Shareholders' Mandate period shall be from the date of the 22nd AGM to the next AGM of the Company in the year 2023. The estimated values as set up above are based on Management estimates, and the value of the transactions may vary and be subject to changes.

<sup>#</sup> The tenancy for the Office Space is for a period not exceeding three (3) years with rental rate of RM30,000 payable on a monthly basis.

Nature of relationships:

- (i) LCEL is an 85% owned subsidiary of MMAG Holdings, while the remaining 15% is held by CSH.
- (ii) Kenny Khaw Chuan Wah, being an Executive Director of the Company, is also an Executive Director of MMAG Holdings.
- (iii) Chong Koon Meng, being an Executive Director and shareholder with a shareholding of less than 1% in both the Company and MMAG Holdings.
- (iv) MMAG Holdings and Chan Swee Ying (who has a substantial interest in MMAG Holdings) are Major Shareholders of the Company.

## 2.3 Rationale

The RRPTs to be entered into by the Group are all in the ordinary course of business and would contribute to the generation of revenue for CSH Group.

They are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time. Some of these RRPTs may be time-sensitive, and it may be impractical to seek shareholders' approval on a case-to-case basis before entering into such RRPTs.

The Proposed Renewal of Shareholders' Mandate and the renewal thereof, on an annual basis, would eliminate the need to announce and/or to convene separate general meetings from time to time to seek shareholders' approval as and when potential RRPTs value is equal to or exceeds the percentage ratio (as prescribed in Chapter 10 of the Listing Requirements). This would substantially reduce administrative time, inconvenience, and expenses associated with convening such meetings on an ad-hoc basis and allow manpower resources and time to be channelled towards attaining other corporate objectives.

## 2.4 Methods or procedures of determining the terms of RRPTs

The Company has implemented the review and disclosure procedures for the RRPTs to ensure that the RRPTs are conducted on arm's length basis and undertaken on transaction prices and are based on normal commercial terms consistent with the Company's usual business practices and are on terms that are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

To monitor the RRPTs, the following review and disclosure procedures have been implemented:

- (i) All companies within the Group are informed of the review procedures applicable to RRPTs;
- (ii) Management of CSH will ensure that the RRPTs will only be entered into after taking into account the pricing, expertise, and other related factors. The transaction prices will be determined by market forces, similar to those prices for transactions with the unrelated third party, and references will be made to surveys and/or valuations to be undertaken to gather information on market prices;
- (iii) There is no specific threshold for the approval of RRPTs. All RRPTs are reviewed and approved by authorised personnel, i.e., the Board and members of the Audit Committee, who has no interest in the transaction;
- (iv) At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as a comparison, wherever practicable and/or possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from an unrelated third parties cannot be obtained, Management shall review the transaction price based on their usual business practice to ensure that the RRPTs are not detrimental to the Company or the Group;
- (v) A register will be maintained by the Company to record all RRPTs and will be made available to the Audit Committee for its quarterly review;
- (vi) The Audit Committee will undertake a periodic review of the RRPTs to ensure that such transactions are undertaken at arm's length, on normal commercial terms, on terms not more favourable to the Related Parties than those generally available to the public and are not, in the Company's opinion, detrimental to the minority shareholders of the Company. In its review and approval of such transactions, the Audit Committee may, as it deems fit, request for additional information pertaining to the transactions from independent sources or professionals;

- (vii) All RPTs in excess of RM500,000 to be entered by the Group shall be subject to the review and approval of the Audit Committee or Board of Directors of the Company before the transactions are carried out;
- (viii) All RPTs of RM500,000 and below shall be approved by the Executive Director of the Company provided that the Executive Director is not an interested party to the transaction and table to the Audit Committee every quarter for information. For RPTs where the Executive Director is an interested party, such RPTs shall be approved by the Board of Directors (with all interested parties abstaining from voting);
- (ix) CSH will make disclosures in its annual report of the breakdown of an aggregate value of transactions made pursuant to the shareholders' mandate during the financial year and for the subsequent financial years in which the mandate remains in force based on the type of RRPTs made and the nature of relationship of the Related Parties and the Group; and
- (x) In the case of RRPTs, where any of the Directors has a direct or indirect interest, he shall abstain from all deliberations and voting in respect of the said transaction. In addition, where any member of the Audit Committee is interested in any transaction, that member shall abstain from voting in any matter relating to any decision to be taken by the Audit Committee with respect to such transaction.

## **2.5 Amount due and owing by the Related Parties**

There is no amount due and owing to the CSH Group by the Related Parties pursuant to the RRPTs, which has exceeded the credit term as at the LPD.

## **2.6 Conditions and disclosure of the Proposed Renewal of Shareholders' Mandate**

The Proposed Renewal of Shareholders' Mandate is subject to annual renewal and shall only continue to be in force until the next AGM of the Company at which the Proposed Renewal of Shareholders' Mandate will be tabled annually or revoked or varied by resolution passed by the shareholders of the Company in a general meeting, whichever shall first occur. The breakdown of the aggregate value of the RRPTs entered into pursuant to the Proposed Renewal of Shareholders' Mandate will be disclosed in the annual report of the Company based on the type of the RRPTs, and the name of the Related Parties involved in each type of the RRPTs entered into and their relationship with the Company.

In addition, pursuant to Paragraph 2.5 of Practice Note No. 12 of the Listing Requirements, if the actual value of the RRPTs entered into by CSH Group exceeds the estimated value of RRPTs disclosed in the circular by 10% or more, CSH would make an immediate announcement to Bursa Securities.

## **2.7 Statement by the Audit Committee**

The Audit Committee of CSH has reviewed the procedures as mentioned in **Section 2.4** of this Circular and is of the view that the existing guidelines and procedures for the RRPTs are sufficient to ensure that such transactions will be carried out at arm's length, on normal commercial terms, which are not prejudicial to the interests of minority shareholders of the Company, on terms no more favourable to the Related Parties than those generally available to the public and on terms not to the detriment of minority shareholders.

In addition, the Audit Committee is of the opinion that CSH Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner. The Audit Committee reviews the RRPTs' procedures and processes periodically.



## 2.8 Interests of the Directors, Major Shareholders, and/or Persons Connected to Them

Save as disclosed in this Circular and below, none of the other Directors or Major Shareholders of CSH and/or Persons Connected to them has any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate:

(a) RRPTs entered into between ChipSengHeng Enterprise and CSH Group

Interested Directors/Major Shareholders/Persons Connected to Interested Directors and/or Major Shareholders	Shareholdings as at LPD			
	Direct		Indirect	
	No. of Shares	Percentage of shareholdings (%)	No. of Shares	Percentage of shareholdings (%)
<b><u>Interested Director<sup>#</sup></u></b>				
- Tan Yip Jiun	-	-	168,174,000 <sup>(1)</sup>	12.17
<b><u>Interested Major Shareholders<sup>##</sup></u></b>				
- ChipSengHeng	168,174,000	12.17	-	-
- Tan Yip Jiun	-	-	168,174,000 <sup>(1)</sup>	12.17
- Tan Yow Hua	-	-	168,174,000 <sup>(1)</sup>	12.17
<b><u>Persons Connected to Interested Director and/or Major Shareholders</u></b>				
- ChipSengHeng Enterprise <sup>(2)</sup>	-	-	-	-

Notes:

<sup>#</sup> Shareholding as per the Register of Directors' Shareholdings as at LPD.

<sup>##</sup> Shareholding as per the Register of Substantial Shareholders' Shareholdings as at LPD.

(1) Deemed interested by virtue of their interests in ChipSengHeng pursuant to section 8 of the Act.

(2) Tan Yip Jiun and Tan Yow Hua are directors and major shareholders of ChipSengHeng Enterprise. As such, ChipSengHeng Enterprise is regarded as person connected to Tan Yip Jiun and Tan Yow Hua.

Mr. Tan Yip Jiun, being the interested Director, has abstained and/or will continue to abstain from all Board deliberation and voting on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate for the RRPTs entered into between ChipSengHeng Enterprise and CSH Group at the forthcoming 22nd AGM or at any adjournment thereof.

The abovementioned interested Director, Major Shareholders, and/or Person Connected to them have abstained and will continue to abstain from deliberation and voting on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate for the RRPTs entered into between ChipSengHeng Enterprise and CSH Group at the forthcoming AGM or at any adjournment thereof.

The abovementioned interested Director and Major Shareholders have undertaken to ensure that the Person Connected to them will abstain from voting regarding their direct and/or indirect shareholdings on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate for the RRPTs entered into between ChipSengHeng Enterprise and CSH Group at the forthcoming AGM or at any adjournment thereof.

(b) RRPTs entered into between MMAG Group and CSH Group

Interested Directors/Major Shareholders/Persons Connected to Interested Directors and/or Major Shareholders	Shareholdings as at LPD			
	Direct		Indirect	
	No. of Shares	Percentage of shareholdings (%)	No. of Shares	Percentage of shareholdings (%)
<b><u>Interested Director<sup>#</sup></u></b>				
- Kenny Khaw Chuan Wah	-	-	-	-
- Chong Koon Meng	1,000,000	0.07	-	-
<b><u>Interested Major Shareholders<sup>##</sup></u></b>				
- MMAG Holdings	229,500,000	16.61	-	-
- Chan Swee Ying	-	-	229,500,000 <sup>(1)</sup>	16.61

Notes:

<sup>#</sup> Shareholding as per the Register of Directors' Shareholdings as at LPD.

<sup>##</sup> Shareholding as per the Register of Substantial Shareholders' Shareholdings as at LPD.

(1) Deemed interested by virtue of her interest in MMAG Holdings pursuant to section 8 of the Act.

Mr. Kenny Khaw Chuan Wah and Mr. Chong Koon Meng, being the interested Directors, have abstained and/or will continue to abstain from all Board deliberation and voting on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate for the RRPTs entered into between MMAG Group and CSH Group at the forthcoming 22nd AGM or at any adjournment thereof.

The abovementioned interested Directors and Major Shareholders have abstained and will continue to abstain from deliberation and voting on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate for the RRPTs entered into between MMAG Group and CSH Group at the forthcoming 22nd AGM or at any adjournment thereof.

The abovementioned interested Directors and Major Shareholders have undertaken to ensure that the Person Connected to them will abstain from voting regarding their direct and/or indirect shareholdings on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate for the RRPTs entered into between MMAG Group and CSH Group at the forthcoming 22nd AGM or at any adjournment thereof.

Save as disclosed in this Circular, none of the Directors and/or Major Shareholders of the Company and/or Person Connected to them have any interests, direct or indirect, in the Proposed Renewal of Shareholders' Mandate.

### 3. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will have no effect on the issued share capital and substantial shareholders' shareholdings of the Company and is not expected to have any material impact on the gearing of the Group.

The Proposed Renewal of Shareholders' Mandate is expected to contribute positively to the Group's future earnings and net assets as and when the benefits of the RRPTs are realised.

#### 4. APPROVAL REQUIRED

The Proposed Renewal of Shareholders' Mandate is subject to the approval of the shareholders of CSH at the forthcoming 22nd AGM to be convened.

#### 5. RECOMMENDATION AND BASIS OF RECOMMENDATION

The Board of Directors (save for the interested Directors), having considered all aspects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interests of CSH Group.

Accordingly, the Board (save for the interested Directors) recommends that shareholders vote **in favour** of the ordinary resolutions pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 22nd AGM to be convened.

#### 6. 22nd AGM

The 22nd AGM, the notice of which is set out in the Notification to Shareholders and the Company's 2022 Annual Report, which is available to be downloaded from the Company's website at [www.cshalliance.com.my](http://www.cshalliance.com.my), will be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 29 November 2022 at 10:00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution, set out as Special Business in the Notice of the 22nd AGM, to give effect to the Proposed Renewal of Shareholders' Mandate.

Shareholders who are not able to attend and vote at the AGM are entitled to appoint a proxy/proxies to attend and vote on their behalf by completing the Form of Proxy and depositing it at the office of the Company's Share Registrar, Mega Corporate Services Sdn Bhd, Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan or via electronic means through email to [mega-sharereg@megacorp.com.my](mailto:mega-sharereg@megacorp.com.my) or via facsimile at 03-2732 5388 not less than 48 hours before the time fixed for the 22nd AGM or at any adjournment thereof.

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

#### 7. FURTHER INFORMATION

The shareholders of CSH are advised to refer to Appendix I set out in this Circular for further information.

Yours faithfully,  
For and on behalf of the Board of Directors of  
**CSH ALLIANCE BERHAD**

**LIM PENG TONG**  
INDEPENDENT NON-EXECUTIVE DIRECTOR  
CHAIRMAN OF THE AUDIT COMMITTEE

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## Appendix I

### 1. DIRECTORS' RESPONSIBILITY STATEMENT

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

### 2. MATERIAL CONTRACTS

As at the LPD, the Group has not entered into any material contracts (not being contracts entered into in the Group's ordinary course of business) during the two (2) years immediately preceding the date of this Circular, except for the following:

- (i) On 18 March 2021, the Company entered into a shares sale agreement ("SSA") with LCV for the acquisition of the entire equity interest in Line Haul for a cash consideration of RM3.0 million. The acquisition was completed on 26 March 2021;
- (ii) On 22 March 2021, the Company entered into a SSA with LCV for the acquisition of 14,400,000 ordinary shares in LCEL, representing 15% of the equity interest in LCEL for a cash consideration of RM22.0 million. The acquisition was completed on 21 April 2021;
- (iii) On 26 March 2021, APPI entered into the agreement for the turnkey commissioning of 2 Nitrile butadiene rubber ("NBR") double former glove dipping production lines together with 4 lines of utilities support system at the Group's existing 3 single storey factory (with a total built-up area of 76,400 square feet), a single storey hostel (with a built-up area of 2,975 square feet) and a double storey office (with a built-up area of 3,000 square feet) erected on 3 plots of leasehold land located at Plot 55, 56 & 57, Jalan Logam 3, Kawasan Perindustrian Kamunting Raya, 34600 Kamunting, Perak measuring approximately 131,482 square feet (with a total built-up area of 82,375 square feet) ("**Glove Production Plant**") with Howellcare Industries Sdn Bhd ("**Howellcare**") ("**Turnkey Agreement**") for Howellcare to plan, design, supply, install and commission the Glove Production Plant as well as provide services such as setting up and providing training to APPI's new operation team to run and manage the operation of Glove Production Plant as well as undertaking all the marketing and sale of the NBR gloves on behalf of APPI, for a contract price of RM39.80 million. The Turnkey Agreement was terminated on 22 March 2022;
- (iv) On 9 April 2021, MRDSB, a wholly-owned subsidiary of CSH, entered into a deed of mutual rescission and revocation with APSB and both parties mutually agreed to terminate the concept masterplan agreement dated 4 July 2017 (amended by a supplemental agreement dated 15 December 2017) ("**CMPA**"). Pursuant to the termination, APSB shall refund the deposit of RM7,398,164.78 to MRDSB within two months from the date of the deed of mutual rescission and revocation or within such other period as may be extended by MRDSB whereby MRDSB reserves the right to charge interest on any of the unpaid sums. Prior to such refund, MRDSB shall continue to retain the share charge on APSB's ordinary shares and the power of attorney on APSB's development land which were given previously by APSB to MRDSB pursuant to the CMPA as security for the repayment of the deposit and late refund interest, if any. As at the LPD, the deposit refund has yet to be fully paid as MRDSB had agreed to extend the duration for the refund vide a letter dated 4 June 2021 subject to APSB's acceptance of the terms and conditions contained in the letter and accordingly, the same has been accepted by APSB;
- (v) On 23 April 2021, the Company entered into a SSA with Nur Athirah Elany Binti Abdul Rahman for the acquisition of the entire equity interest in CSH Solutions for a total cash consideration of RM100,000. The acquisition was completed on 28 April 2021;

- (vi) On 21 January 2022, the Company entered into a sale and purchase agreement (“SPA”) with GA Hills Management Sdn Bhd for the disposal of 5 freehold properties with the title particulars of (i) GM 5022 Lot 45196 Mukim Cheras, District of Hulu Langat, State of Selangor; (ii) GM 5021 Lot 45195 Mukim Cheras, District of Hulu Langat, State of Selangor; (iii) GM 5020 Lot 45194 Mukim Cheras, District of Hulu Langat, State of Selangor; (iv) GM 8198 Lot 45193 Mukim Cheras, District of Hulu Langat, State of Selangor; and (v) GM 5018 Lot 45192 Mukim Cheras, District of Hulu Langat, State of Selangor, for a cash consideration of RM7.65 million. The disposal was completed on 26 January 2022;
- (vii) On 8 April 2022, CSH Network entered into a SPA with Ong Ah Cheng and Helen Ng Soong Ling for the acquisition of a freehold land held under title no H.S.(D) 33217 PT 20901 Mukim Cheras, Daerah Ulu Langat, Negeri Selangor measuring approximately 970.805 square meters (10,450 square feet) in an area together with a double-storey bungalow house erected thereon, for a total cash consideration of RM2.9 million. The acquisition was completed on 20 April 2022;
- (viii) On 10 May 2022, AEV entered into a SPA with Medium Visa Sdn Bhd and Harapan Iringan Sdn Bhd for the acquisition of 3 adjoining plots of ninety-nine (99) years leasehold industrial land expiring on 8 December 2107 with the title particulars of: (i) HS(D) 357 PT 17211 Mukim Hulu Bernam Timor, Daerah Mullim, Negeri Perak; (ii) HS(D) 336 PT 172019, Mukim Hulu Bernam Timor, Daerah Batang Padang, Negeri Perak; and (iii) HS(D) 351 PT 17210, Mukim Hulu Bernam Timor, Daerah Batang Padang, Negeri Perak, for a cash consideration of RM12 million. The acquisition was completed on 20 October 2022; and
- (ix) On 20 May 2022, AEV entered into a SPA with M Xpress Sdn Bhd for the acquisition of a plot of ninety-nine (99) years leasehold industrial land expiring on 30 June 2067 held under title Lot No. 54, No. Pajakan Negeri 10300, Section 20, Bandar Petaling Jaya, District of Petaling, Selangor, with a total land area of approximately 4,314.9538 square metres (approximately 46,446 square feet), for a total cash consideration of RM10 million. The acquisition was completed on 21 July 2022.

### **3. MATERIAL LITIGATION, CLAIMS, AND ARBITRATION**

As at the LPD, neither the Company nor its subsidiaries are engaged in any material litigation, claims, or arbitration either as plaintiff or defendant, which has a material effect on the financial position of the Company and the Group and the Board confirms that there are no proceedings pending or threatened, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of the Group.

### **4. MATERIAL COMMITMENT**

As at the LPD, the Board confirms that there is no material commitment incurred or known to be incurred by the Company or the Group, which upon becoming enforceable, may have a material impact on the financial position of the Group.

### **5. CONTINGENT LIABILITIES**

The Board has confirmed that as at the LPD, there are no contingent liabilities incurred or known to be incurred by the Group, which upon becoming enforceable, may have a material impact on the financial position of the Group.

## 6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan during normal business hours from 9.00 a.m. to 5.00 p.m. from Mondays to Fridays (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of the forthcoming 22nd AGM:

- (i) the Constitution of the Company;
- (ii) the Group's audited financial statements for the past two (2) financial years ended 30 June 2020 and 30 June 2021; and
- (iii) the material contracts referred to in **Section 2** of this Appendix.

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