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**NTPM HOLDINGS BERHAD** (384662-U)  
**启顺造纸业有限公司**

(Incorporated in Malaysia under the Companies Act, 1965)

**SHARE BUY-BACK STATEMENT**

**IN RELATION TO THE**

**PROPOSED RENEWAL OF AUTHORITY FOR THE  
PURCHASE OF OWN SHARES BY  
NTPM HOLDINGS BERHAD**

The Ordinary Resolution in respect of the above proposal will be tabled as Special Business at the Twenty-second Annual General Meeting ("22<sup>nd</sup> AGM") of the Company. Notice of the 22<sup>nd</sup> AGM to be held at Bukit Jawi Golf Resort, 691, Main Road, Sungai Bakap, 14200 Seberang Perai Selatan, Pulau Pinang on Friday, 21 September 2018 at 9.30 a.m. or any adjournment thereof, together with a Form of Proxy, are set out in the Annual Report 2018, which is despatched to you together with this Statement.

The Form of Proxy should be lodged at the registered office at Suite 18.05, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 Georgetown, Penang not less than 48 hours before the time stipulated for holding the Meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 22<sup>nd</sup> AGM should you subsequently wish to do so.

The last date and time for lodging the Form of Proxy : Wednesday, 19 September 2018 at 9.30 a.m.  
Date and time of the 22<sup>nd</sup> AGM : Friday, 21 September 2018 at 9.30 a.m.

This Statement is dated 23 August 2018.

## DEFINITIONS

The following definitions shall apply throughout this Statement unless the context requires otherwise:-

<b>Act</b>	— Companies Act, 2016 or any statutory modification, amendment or re-enactment thereof for the time being in force
<b>AGM</b>	— Annual General Meeting
<b>Board</b>	— The Board of Directors of NTHB
<b>Bursa Depository</b>	— Bursa Malaysia Depository Sdn Bhd (165570-W)
<b>Bursa Securities</b>	— Bursa Malaysia Securities Berhad (635998-W)
<b>Code</b>	— Malaysian Code on Take-Overs, Mergers and Compulsory Acquisitions, 2016, including any amendment that may be made from time to time
<b>EPS</b>	— Earnings per share
<b>FYE</b>	— Financial year ended / ending, as the case may be
<b>Listing Requirements</b>	— Listing Requirements of Bursa Securities that are applicable for the Main Market of Bursa Securities, including any amendments thereof that may be made from time to time
<b>LPD</b>	— 31 July 2018, being the latest practicable date prior to the printing of this Statement
<b>Market Day</b>	— Any day between Mondays and Fridays (both inclusive) which Bursa Securities is open for the trading of securities
<b>NA</b>	— Net assets
<b>NTHB or the Company</b>	— NTPM Holdings Berhad (384662-U), a public company limited by shares incorporated in Malaysia under the Companies Act, 1965
<b>NTHB Group or the Group</b>	— NTHB and its subsidiaries as defined in Section 4 of the Act
<b>Proposed Renewal of Share Buy-Back Mandate</b>	— Proposed renewal of existing authority granted to NTHB to purchase its own shares, up to a maximum of ten percent (10%) of the total number of issued shares of NTHB
<b>Purchased Shares</b>	— Shares purchased pursuant to the Company's Share Buy-Back exercise
<b>Record of Depositors</b>	— A record maintained by Bursa Depository pursuant to its rules, including any amendment thereof

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**DEFINITIONS (cont'd)**

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<b>RM and sen</b>	— Ringgit Malaysia and sen, respectively
<b>SC</b>	— Securities Commission Malaysia
<b>Share(s)</b>	— Ordinary share(s) in NTHB
<b>Shareholders</b>	— Shareholders of NTHB
<b>Share Buy-Back</b>	— The proposed purchase by NTHB of its own shares pursuant to the Proposed Renewal of Share Buy-Back Mandate
<b>Substantial Shareholder</b>	— A person who has an interest or interests in one or more voting Shares in the Company and the number or the aggregate number of those Shares is not less than 5% of the total number of all the voting Shares in the Company
<b>Treasury Shares</b>	— The Shares purchased by the Company which are or will be retained in treasury and shall have the meaning given under Section 127 of the Act

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference to a time of day in this Statement is a reference to Malaysian time, unless otherwise stated. Any reference in this Statement to any legislation is a reference to that legislation as for the time being amended or re-enacted. Certain figures in this Statement have been subject to rounding adjustments.

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**NTPM HOLDINGS BERHAD** (384662-U)

**启顺造纸业有限公司**

(Incorporated in Malaysia)

## **PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE OF OWN SHARE BY NTPM HOLDINGS BERHAD**

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### **1. INTRODUCTION**

At the Twenty-first (21<sup>st</sup>) AGM held on 21 September 2017, the Board had obtained its Shareholders' approval to undertake the share buy-back of up to ten percent (10%) of the total number of issued shares of NTHB. The authority obtained by the Board for the purchase of its own ordinary shares by the Company shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 22<sup>nd</sup> AGM, unless a renewal of the mandate is obtained from Shareholders of NTHB at the AGM.

On 22 June 2018, the Board announced the Company's intention to seek its Shareholders' authorisation for the Proposed Renewal of Share Buy-Back Mandate by way of passing ordinary resolution at the forthcoming 22<sup>nd</sup> AGM to be convened on Friday, 21 September 2018.

The purpose of this Statement is to provide you with the relevant details of the Proposed Renewal of Share Buy-Back Mandate and to seek your approval on the relevant ordinary resolution to be tabled at the forthcoming 22<sup>nd</sup> AGM, which will be held at the Bukit Jawi Golf Resort, 691 Main Road, Sungai Bakap, 14200 Seberang Perai Selatan, Penang on Friday, 21 September 2018 at 9.30 a.m. or any adjournment thereof. The Notice of convening the 22<sup>nd</sup> AGM together with the Proxy Form, are enclosed in the Company's Annual Report 2018 which is despatched together with this Statement.

**SHAREHOLDERS OF NTHB ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE TO BE TABLED AT THE FORTHCOMING AGM.**

### **2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE**

#### **2.1 Details of the Proposed Renewal of Share Buy-Back Mandate**

The Company proposes to seek the approval from its Shareholders for a renewal of authority to purchase and/or hold from time to time and at any time up to ten percent (10%) of the total number of issued shares of the Company at any point of time subject to compliance with Section 113(5) and 127 of the Act, the Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities. The purchase of the Company's own Shares will be carried out on Bursa Securities through an appointed stockbroker.

As at 31 July 2018, the total issued ordinary share capital of NTHB is RM112,320,000 comprising of 1,123,200,000 Shares (*inclusive of 100,000 Shares brought back and retained as Treasury Shares, representing 0.00890313% of the issued share capital of the Company*).

Under the existing Share Buy-Back mandate, the maximum number of Shares which may be purchased and/or held by the Company will be ten percent (10%) of the issued share capital of NTHB, i.e. 112,320,000 Shares, including 100,000 Shares, which have been bought back and retained as Treasury Shares.

The actual number of Shares to be purchased, the total amount of the funds to be utilized as well as the timing of the Proposed Renewal of Share Buy-Back Mandate will be dependent on the market conditions, sentiments at the market of Bursa Securities, availability of the retained profits, the financial resources available to NTHB Group as well as the Bursa Securities' requirement to maintain the necessary shareholding spread.

In addition, the Board will ensure the Company satisfies the solvency test as stated in Section 112(2) of the Act before execution of the Share Buy-Back.

The authority from the Shareholders, if renewed, shall be effective upon the passing of the ordinary resolution for the Proposed Renewal of Share Buy-Back Mandate as stated in the Notice of 22<sup>nd</sup> AGM contained in the Company's Annual Report 2018 and such authority may continue to be in force until: -

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

whichever occurs first.

## **2.2 Funding for the Share Buy-Back**

In accordance with the Listing Requirements, the maximum funds to be utilised for the Proposed Renewal of Share Buy-Back Mandate shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statement and/or the latest management accounts of the Company (where applicable) available. Based on the latest audited financial statements of the Company for the FYE 30 April 2018, the retained profits of the Company was RM16,545,197.00.

The Proposed Renewal of Share Buy-Back Mandate will be financed through NTHB Group's internally generated funds and/or external borrowings, the portion of which to be utilised will depend on the actual number of Shares to be purchased, the price of the Shares and the availability of funds at the time of purchase(s).

In the event the Company purchases its own Shares using external borrowings, the Board shall ensure that the Company has sufficient funds to repay the external borrowings and the repayment would not have any material effect on the cash flow of the Group.

### **2.3 Status and Treatment of Purchased Shares**

The Board may deal with the Purchased Shares in accordance with Section 127 of the Act, in the following manner:-

- (a) to cancel the Purchased Shares;
- (b) to retain the Purchased Shares as Treasury Shares;
- (c) to retain part of the Purchase Shares as Treasury Shares and cancel the remainder;
- (d) to distribute the Treasury Shares as dividends to the Shareholders ("Share Dividends");
- (e) to resell the Treasury Shares on the market of Bursa Securities in accordance with the relevant rules of Bursa Securities;
- (f) to transfer the Treasury Shares, or any of the said Shares for the purposes of or under an employees' share scheme.
- (g) to transfer the Treasury Shares, or any of the said Shares as purchase consideration;
- (h) To cancel the Treasury Shares or any of the said Shares;
- (i) To sell, transfer or otherwise use the Treasury Shares for such other purposes as the Minister may by order prescribe; or
- (j) any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements as well as any other relevant authority for the time being in force.

As at the date of this Statement, the Board has yet to make any decision with regard to the treatment of the Shares to be so purchased and will take into consideration the effects of such treatment on the Group in arriving at its decision. An immediate announcement will be made to Bursa Securities upon each purchase, cancellation and/or resale of Shares pursuant to the Share Buy-Back.

While the Purchased Shares are held as Treasury Shares, the rights attached to them in relation to voting, dividends and participation in any other distribution or otherwise will be suspended. The Treasury Shares shall not be taken into account in calculating the number or percentage of Shares or of a class of Shares in the Company for any purposes including substantial shareholding, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on the resolution at a meeting.

### **2.4 Rationale/Potential Advantages and Disadvantages of Proposed Renewal of Share Buy-Back Mandate**

The Proposed Renewal of Share Buy-Back Mandate, if implemented, will enable the Company to utilise any of its surplus financial resources, which is not immediately required for other uses, to purchase its own Shares from the market. The Share Buy-Back carried out pursuant to the Proposed Renewal of Share Buy-Back Mandate is expected to

stabilise the supply and demand of NTHB's Shares traded on the Main Market of Bursa Securities and thereby support its fundamental value.

Other things being equal, the Share Buy-Back carried out pursuant to the Proposed Renewal of Share Buy-Back Mandate, regardless of whether the Purchased Shares are maintained as Treasury Shares or cancelled, will result in a lower number of NTHB shares being used for the purposes of computing the EPS. Therefore, the Share Buy-Back will improve the EPS of NTHB, which in turn is expected to have a positive impact on the market price of NTHB.

The Purchased Shares may be held as Treasury Shares and resold on the Main Market of Bursa Securities at a higher price with the intention of realising a potential gain without affecting the total issued share of the Company. Should any Treasury Shares be distributed as Share Dividends, this would serve to reward the Shareholders of the Company.

The potential advantages of the Proposed Renewal of Share Buy-Back Mandate to the Company and its Shareholders are as follows:-

- (a) it will allow the Company to take preventive measures against speculation particularly when its Shares are undervalued which would in turn stabilise the market price of the Shares and hence, enhance investors' confidence;
- (b) it will allow the Company the flexibility in achieving the desired capital structure, in terms of debt and equity composition, and the size of equity;
- (c) when the Shares bought back by the Company are cancelled, Shareholders of the Company are likely to enjoy an increase in the value of their investment in the Company as the net earnings per share of the Company and the Group will increase proportionately, *ceteris paribus*; and
- (d) it will allow the Company to realise potential gains if the Purchased Shares are resold at higher prices without affecting the total issued and paid-up capital of the Company and such proceeds may be subsequently used for investments opportunities arising in the future or as working capital and/or distribute such proceeds as Dividends to Shareholders of the Company.

The potential disadvantages of the Proposed Renewal of Share Buy-Back Mandate, if implemented, are as follows:-

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

The Directors in exercising any decision on the Proposed Renewal of Share Buy-Back Mandate will be mindful of the interest of the Company and its Shareholders. Proposed Renewal of Share Buy-Back Mandate will

be implemented only after careful consideration of the financial resources of the Company and its resultants impact.

## 2.5 Public Shareholding Spread

Further to the above, the Board is mindful of the Listing Requirements that the Proposed Renewal of Share Buy-Back Mandate must not result in the number of Shares which are in the hands of the public falling below 25% of the issued and paid-up share capital (excluding treasury shares) of the Company. As at 31 July 2018, the Record of Depositors of NTHB showed that 449,176,532 Shares representing approximately 40.00% of the issued and paid-up share capital were held by 4,027 public shareholders.

The Board undertakes that the Proposed Renewal of Share Buy-Back Mandate will be conducted in accordance with the laws and regulations prevailing at the time of the purchase including compliance with the public shareholding spread requirements as stipulated in paragraph 8.02 (1) of the Listing Requirements, and ensuring that the issued share capital of the Company does not fall below the applicable minimum share capital requirements of the Listing Requirements.

The public shareholdings spread of the Company as at 31 July 2018 and after incorporating the effects of the Proposed Renewal of Share Buy-Back Mandate is as follows:-

	<b>As at 31 July 2018</b>	<b>After the Share Buy-Back*</b>
Public shareholding spread	40.00%	33.33%

Notes:-

\* Based on the assumptions that:-

- (i) the Proposed Share Buy-Back Mandate involves the aggregate purchase and cancellation of 112,320,000 Shares (representing 10% of the total number of issued shares of NTHB as at 31 July 2018); and
- (ii) the number of Shares held by the Directors of the Group, the Substantial Shareholders of NTHB and persons connected with them remain unchanged.

## 2.6 Implication Relating To The Code

The Board does not intend to undertake the Share Buy-Back such that it will trigger any obligation to undertake a Mandatory Offer pursuant to the Code. In this respect, the Board will be mindful of the requirement of the Code when implementing the Share Buy-Back.

However, in the event an obligation to undertake a Mandatory Offer is to arise with respect to any parties resulting from the Share Buy-Back, which is an action outside its direct participation, the relevant parties shall make the necessary application to the SC for an exemption from undertaking the Mandatory Offer pursuant to the Code.

## 2.7 Purchase, Resale and Cancellation of the Purchased Shares made in the Last Financial Year

The Company had purchased a total of 20,000 shares which have been retained as treasury shares in the last FYE 30 April 2018.

As at 31 July 2018, NTHB held a total of 100,000 treasury shares. None of the treasury shares were resold or cancelled during the financial year 2018.

The details of the Company's share buy-back exercises for the financial year ended 30 April 2018 are as follows:-

Date of Purchase	No. of Shares Purchased	Lowest Price Paid (RM)	Highest Price Paid (RM)	Average Price (RM)	Net Consideration Paid (RM)
28.09.2017	10,000	0.775	0.775	0.775	7,750
29.03.2018	10,000	0.540	0.540	0.540	5,400

## 3. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

In the event the Proposed Renewal of Share Buy-Back Mandate is implemented in full, the proforma effects on the share capital, earnings, NA, gearings, working capital, dividend and shareholdings of Directors, Substantial Shareholders and persons connected to them are as follows:-

### 3.1 Share Capital

The Proposed Renewal of Share Buy-Back Mandate will have no effect on the issued share capital of the Company if the Purchased Shares are retained as treasury shares or re-sold in the open market or distributed to its Shareholders as Share Dividends.

For illustration purposes and assuming ten per centum (10%) of the total number of issued share capital of the Company as at 31 July 2018, are purchased and entirely cancelled, the Proposed Renewal of Share Buy-Back Mandate will have the following effects on the share capital of the Company:-

Share Capital	No. of Shares	RM
Issued share capital as at 31 July 2018	1,123,200,000	112,320,000
Purchase of own shares and to be cancelled pursuant to the Proposed Renewal of Share Buy-Back Mandate *	(112,320,000)	(11,232,000)
Resultant issued share capital upon completion of the Proposed Renewal of Share Buy-Back Mandate	1,010,880,000	101,088,000

\* inclusive of 100,000 Treasury Shares currently held by the Company as at 31 July 2018.

### **3.2 Earnings and EPS**

The actual effect of the Share Buy-Back on the EPS of the Group will depend on the purchase prices of the Shares, the number of Shares purchased and the effective finance cost to the Group to finance the purchase of Shares or any loss in interest income to the Group.

Should the Company choose to hold the Purchased Shares as Treasury Shares and resell the Shares subsequently, the effect on the EPS of the Group will depend on the actual selling price, the number of Treasury Shares resold, and the effective gain or interest saving arising from the exercise.

If the Shares so purchased are cancelled, the Share Buy-Back will increase the EPS of the Group provided that the income foregone and interest expenses incurred on the Purchased Shares is less than the EPS before the Share Buy-Back.

### **3.3 NA, Gearing and Working Capital**

The NA per Share of the Company and the Group may increase or decrease depending on the purchase price of the Shares to be bought back by the Company in comparison to the NA per Share of NTHB at the time that the shares are purchased.

If the Purchased Shares are cancelled, the Proposed Renewal of Share Buy-Back Mandate will reduce the NA per Share if the purchase price per Share exceeds the NA per Share at the relevant point in time, and vice versa.

The NA of NTHB would decrease, if the Purchased Shares are retained as Treasury Shares, by the cost of Treasury Shares to be carried at cost and be offset against equity.

If the Treasury Shares are resold on the Main Market of Bursa Securities, the NA per NTHB Share upon the resale would increase if the Company realises a gain from the resale, and vice versa. If the Treasury Shares are distributed as Share Dividends, the NA per Share will decrease by the cost of the Treasury Shares.

The Proposed Renewal of Share Buy-Back Mandate is not expected to have any material effect on the Company's gearing.

The Proposed Renewal of Share Buy-Back Mandate will reduce the working capital and cash flow of the Group, the quantum of which will depend on the purchase prices of the Shares and the number of Shares purchased.

For Purchased Shares which are kept as treasury shares, upon their resale, the working capital and cash flow of the Group will increase upon the receipt of the proceeds of the resale. The quantum of such increase will depend on the actual selling price(s) of Treasury Shares and the number of Treasury Shares resold.

### **3.4 Dividend**

The Proposed Renewal of Share Buy-Back Mandate is not expected to have any material impact on the policy of NTHB's Board in recommending future dividends. The actual dividend rate to be declared and paid to its shareholders, will depend on, amongst others, the actual results of the Group, its cash reserves, capital commitment and future funding requirements.

However, the Board will have the option of distributing the Treasury Shares as Share Dividends to the Shareholders.

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### 3.5 SHAREHOLDINGS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND PERSONS CONNECTED TO THEM

The Shares purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back Mandate that are retained as Treasury Shares and/or cancelled will result in a proportionate increase in the percentage of shareholdings of the Directors and Substantial Shareholders of the Company.

The effects of the Share Buy-Back on the direct and indirect interests of the Directors and Substantial Shareholders and any person connected with the Directors and/or Substantial Shareholders in the proposed purchase based on the Register of Directors' and Substantial Shareholders' shareholdings of NTHB as at 31 July 2018 are illustrated as follows: -

	Existing as at 31 July 2018			After the Share Buy-Back			
	Direct No. of Shares	%#	Indirect No. of Shares	%#	Direct No. of Shares	Indirect No. of Shares	%
<b>Directors</b>							
Lee See Jin	319,952,949	28.49	a) 138,469,382	12.33	319,952,949	a) 138,469,382	31.65
Lee Chong Choon	132,111,197	11.76	-	-	132,111,197	-	13.07
Dato' Teoh Boon Beng @ Teoh Eng Kuan	20,125,800	1.79	b) 163,654,914	14.57	20,125,800	b) 163,654,914	1.99
Teoh Teik Lin ( <i>Alternate Director of Dato' Teoh Boon Beng @ Teoh Eng Kuan</i> )	49,362,978	4.40	c) 52,371,922	4.66	49,362,978	c) 52,371,922	4.88
Dr. Teoh Teik Toe	8,313,400	0.74	-	-	8,313,400	-	0.82
Lim Han Nge	-	-	-	-	-	-	-
Chang Kong Foo	200,000	0.02	280,000	0.02	200,000	280,000	0.02
<b>Substantial Shareholders</b>							
Lee See Jin	319,952,949	28.49	a) 138,469,382	12.33	319,952,949	a) 138,469,382	31.65
Lee Chong Choon	132,111,197	11.76	-	-	132,111,197	-	13.07
Dato' Teoh Boon Beng @ Teoh Eng Kuan	20,125,800	1.79	b) 163,654,914	14.57	20,125,800	b) 163,654,914	1.99
Teoh Teik Lin	49,362,978	4.40	c) 52,371,922	4.66	49,362,978	c) 52,371,922	4.88

	Existing as at 31 July 2018		After the Share Buy-Back	
	Direct No. of Shares	Indirect No. of Shares	Direct No. of Shares	Indirect No. of Shares
	%#	%#	%	%
<b><u>Persons connected to Directors and /or Substantial Shareholders</u></b>				
<b>i) Person connected to Dato' Teoh Boon Beng @Teoh Eng Kuan</b>				
Teoh Teik Lin	49,362,978	4.40	49,362,978	4.88
Kota Beras Sendirian Berhad	52,371,922	4.66	52,371,922	5.18
Teoh Teik Kee	20,240,014	1.80	20,240,014	2.00
Teoh Peng Heong & Sons Sdn Bhd	12,940,000	1.15	12,940,000	1.28
Teoh Hooi Nee	8,740,000	0.78	8,740,000	0.86
Teoh Bee Nee	10,000,000	0.89	10,000,000	0.99
Teoh Yew Nee	10,000,000	0.89	10,000,000	0.99
<b>ii) Person connected to Mr. Lee See Jin</b>				
Lee Chong Choon	132,111,197	11.76	132,111,197	13.07
Ooi Yan Hua	6,129,945	0.55	6,129,945	0.61
Lee Hooi Fung	180,000	0.02	180,000	0.02
Lee Chong Chat	48,240	0.00	48,240	0.00
<b>iii) Person connected to Mr. Chang Kong Foo</b>				
Ooi Siew Geik	180,000	0.02	180,000	0.02
Chang Hui Yuin	100,000	0.01	100,000	0.01
			<sup>c)</sup> 52,371,922	5.18

Notes:-

- # Excluding a total of 100,000 Shares bought back by the Company and retained as Treasury Shares as at 31 July 2018.
- a) Deemed interested through the shareholdings of his spouse and children pursuant to Section 59(11) of the Act.
- b) Deemed interested through his shareholdings in Kota Beras Sendirian Berhad and Teoh Peng Heong & Sons Sdn Bhd by virtue of Section 8 of the Act and the shareholdings of his children pursuant to Section 59(11) of the Act.
- c) Deemed interested through his shareholdings in Kota Beras Sendirian Berhad by virtue of Section 8 of the Act.

Save for the resulting increase in percentage shareholdings as a consequence of the Share Buy-Back, none of the directors, substantial shareholders or persons connected to them has any interest, direct or indirect, in the Share Buy-Back or the resale of Treasury Shares, if any.

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**4. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

Save for the proportionate increase in the percentage shareholdings and/or voting rights of the shareholdings as a consequence of the Proposed Renewal of Share Buy-Back Mandate, none of the Directors, Substantial Shareholders of the Company and/or persons connected to them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Mandate.

**5. APPROVAL REQUIRED**

The Proposed Renewal of Share Buy-Back Mandate is conditional upon approval being obtained from the Shareholders of the Company at the forthcoming 22<sup>nd</sup> AGM.

**6. BOARD OF DIRECTORS' RECOMMENDATION**

The Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Mandate is of the opinion that the Proposed Renewal of Share Buy-Back Mandate is in the best interest of the Company.

Accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Mandate to be tabled at the forthcoming 22<sup>nd</sup> AGM.

**7. AGM**

The Ordinary Resolution to approve the Proposed Renewal of Share Buy-Back Mandate is set out as Special Business in the Notice of 22<sup>nd</sup> AGM contained in the NTHB's Annual Report 2018, which is sent to you together with this Statement. The 22<sup>nd</sup> AGM will be held at Bukit Jawi Golf Resort, 691 Main Road, Sungai Bakap, 14200 Seberang Perai Selatan, Penang on Friday, 21 September 2018 at 9.30 a.m..

If you are unable to attend in person at the 22<sup>nd</sup> AGM, please complete the Form of Proxy in accordance with the instructions contained therein and forward it to the Company's Registered Office at Suite 18.05, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 Georgetown, Penang not later than 48 hours before the time stipulated for holding the Meeting or any adjournment thereof.

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 22<sup>nd</sup> AGM should you subsequently wish to do so.

**8. ADDITIONAL INFORMATION**

Shareholders are advised to refer to the attached Appendix I for further information.

**1) DIRECTORS' RESPONSIBILITY STATEMENT**

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

**2) DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be made available for inspection at the Company's Registered Office at Suite 18.05, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 Georgetown, Penang during normal business hours from Mondays to Fridays (except public holidays) from the date of this Statement up to and including the date of the forthcoming AGM:

- (a) the Constitution of the Company; and
- (b) the audited financial statements of NTHB Group for the past two (2) financial years ended 30 April 2017 and 30 April 2018.

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