

THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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CHIN WELL HOLDINGS BERHAD
Registration No. 199501042347 (371551-T)
(Incorporated in Malaysia)

SHARE BUY-BACK STATEMENT

IN RELATION TO

**PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR
THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE
TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY**

The Notice convening the 25th Annual General Meeting ("**AGM**") of the Company which will be held fully virtual through live streaming and online participation and voting using Remote Participation and Voting ("**RPV**") facilities via the online meeting platform at <https://bit.ly/3Hnx6DL> provided by Bina Management (M) Sdn Bhd in Malaysia (Domain registration number 57236023) on Friday, 28 January 2022 at 10.30 a.m. together with the Proxy Form and the Letter to Shareholders and Administrative Guide are available on the Company's website at <https://www.chinwell.com.my> and/or Bursa Malaysia Securities Berhad's website at <https://www.bursamalaysia.com>

A member entitled to attend and vote at the fully virtual 25th AGM is entitled to appoint a proxy or proxies to attend and to vote remotely via the Remote Participation and Voting ("RPV") facilities on his/her behalf. If you decide to appoint a proxy to attend and vote remotely on your behalf at the 25th AGM, you have to complete and deposit the Proxy Form at the registered office of the Company at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 George Town, Penang not less than 48 hours before the time appointed for holding the AGM or adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last day and time for lodging Proxy Form:	Wednesday	26 January 2022	10.30 a.m.
Date and time of the 25 th AGM:	Friday	28 January 2022	10.30 a.m.

This Statement is dated 30 December 2021

DEFINITIONS

Unless the context otherwise requires, the following definitions shall apply throughout this Statement:-

Act	— The Companies Act, 2016 and any statutory modification, amendment or re-enactment thereof for the time being in force.
AGM	— Annual General Meeting
Board	— Board of Directors of CWHB
Bursa Securities	— Bursa Malaysia Securities Berhad
Code	— Malaysian Code of Take-Overs and Mergers, 2016 and any amendments thereof from time to time
CWHB or the Company	— Chin Well Holdings Berhad
CWHB Group or the Group	— CWHB and its subsidiary companies
CWHB Share(s) or Share(s)	— Ordinary shares in CWHB
EPS	— Earnings Per Share
LPD	— 16 December 2021, being the latest practicable date prior to the printing of this Circular
Main LR	— Main Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time
Market Day	— A day on which Bursa Securities is open for trading in securities
Proposed Share Buy-Back Renewal	— Proposed renewal of share buy-back authority for the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company
RM	— Ringgit Malaysia

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting 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 in this Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Statement shall be a reference to Malaysian time, unless otherwise specified.



SHARE BUY-BACK STATEMENT

IN RELATION TO

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY

1. INTRODUCTION

On 06 October 2021, the Board announced to Bursa Securities that the Company proposes to seek its shareholders' approval for the Proposed Share Buy-Back Renewal at the forthcoming AGM.

The purpose of this Statement is to provide you with the details of the Proposed Share Buy-Back Renewal and to seek your approval for the ordinary resolution pertaining to the Proposed Share Buy-Back Renewal to be tabled under Special Business at the forthcoming AGM.

2. PROPOSED SHARE BUY-BACK RENEWAL

2.1 Details of the Proposed Share Buy-Back Renewal

The Company is proposing to seek a renewal of share buy-back authority from the shareholders at the forthcoming 25th AGM of CWHB to be convened fully virtual on Friday, 28 January 2022 for the Company to purchase up to 10% of the total number of issued shares of the Company.

The Proposed Share Buy-Back Renewal will be effective immediately upon passing of the ordinary resolution pertaining to the Proposed Share Buy-Back Renewal by shareholders of CWHB at the forthcoming AGM and will continue to be in force until :-

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

whichever occurs first.

2.2 MAXIMUM LIMIT

The total issued share capital of the CWHB as at LPD is 299,533,168. Pursuant to the authority granted at last AGM, the Company had purchased 13,069,800 CWHB Shares held as treasury shares as at LPD.

The maximum number of CWHB Shares which may be purchased and/or held by the Company as treasury shares under the Proposed Share Buy-Back Renewal, if approved at the

forthcoming AGM, will be 10% of the total number of issued shares of CWHB excluding treasury shares retained by CWHB.

The actual number of CWHB Shares to be purchased and the timing of such purchase will depend on amongst others the prevailing equity market conditions and sentiments of the stock market as well as the retained profits and financial resources available to the Company at the time of the purchase.

2.3 Source of Funds

The Proposed Share Buy-Back Renewal will be financed through internally generated funds and the Shares will be purchased from the open market on Bursa Securities. The maximum funds to be allocated by the Company for the purchase of CWHB Shares on open market shall not exceed the retained profits of the Company.

Based on the latest audited financial statements of CWHB for the financial year ended 30 June 2021, the Company's retained profits account was at RM135,896,104.

2.4 Public Shareholding Spread

As at LPD, the public shareholding spread of CWHB was 40.28% with 3,333 shareholders. Assuming that the Proposed Share Buy-Back Renewal is carried out to a maximum of 16,883,517 CWHB Shares and held as treasury shares, the public shareholding of the Company would potentially be reduced to 36.54%.

The Board will be mindful of the public shareholding spread requirement before making any purchases of CWHB Shares.

2.5 Implications on the Code

The Proposed Share Buy-Back Renewal is not expected to trigger the obligation to undertake a mandatory offer under the Code by any of the Company's substantial shareholders and/or parties acting in concert with them.

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

2.6 Purchase or Resale or Transfer Price

In accordance with the Main LR, CWHB may only purchase its own shares on Bursa Securities at a price which is not more than 15% above the weighted average market price for CWHB Shares for the 5 Market Days immediately before the date of purchase(s). An immediate announcement will be made to Bursa Securities of any purchase(s) of its own shares on the date of purchase.

Where CWHB decides to resell or transfer the treasury shares on Bursa Securities, the Company may only do so at:

- a) a price which is not less than the weighted average market price for CWHB Shares for the 5 Market Days immediately before the resale or transfer; or
- b) a discounted price of not more than 5% to the weighted average market price for the CWHB Shares for the 5 Market Days immediately before the resale or transfer provided that :
 - i) the resale or transfer takes place not earlier than 30 days from the date of purchase or transfer; and

- ii) the resale or transfer price is not less than the cost of purchase of CWHB Shares being resold or transferred.

2.7 Treatment of Shares Purchased

In accordance with the Act, the Board may deal with the CWHB Shares so purchased in the following manner:-

- a) cancel the Shares so purchased; or
- b) retain the Shares so purchased as treasury shares; or
- c) retain part of the Shares so purchased as treasury shares and cancel the remaining Shares; or
- d) distribute the treasury shares as dividends to shareholders and/or resell on Bursa Securities and/or transfer the Shares or any of the Shares for purposes of or under an employees' share scheme and/or transfer the Shares or any of the Shares as purchase consideration and/or cancel all or part of them; or
- e) sell, transfer or otherwise use the Shares for such other purposes as the Minister may by order prescribe.

2.8 Ranking of Shares Purchased

In the event the Shares so purchased pursuant to the Proposed Share Buy-Back Renewal are held as treasury shares, the rights attached to them as to voting, dividends and participation in other distribution and otherwise are 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, without limiting the generality of the Act, the Constitution of CWHB or the Main LR in respect of substantial shareholding, the requisitioning of meetings, the quorum of a general meeting and the result of a vote on a resolution at a general meeting.

2.9 Potential Advantages and Disadvantages

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

- a) The Company's share capital base will be reduced pursuant to the Proposed Share Buy-Back Renewal, which may increase the likelihood of a higher dividend rate being declared in the future;
- b) With the Shares so purchased being retained as treasury shares, it will provide the Board with an option to sell the treasury shares at a higher price and therefore make a gain for the Company; and
- c) The treasury shares can also be distributed as share dividends to reward the shareholders.

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

- a) Reduction of the financial resources of the Company available for distribution to the shareholders of the Company in the foreseeable future;
- b) Resultant opportunity costs for the Company as better investment opportunities may be foregone in the future with the reduction in financial resources of CWHB Group available upon implementation of the Proposed Share Buy-Back Renewal; and

- c) Deprive the Group of interest income that can be derived from the funds utilized for the Proposed Share Buy-Back Renewal.

The Proposed Share Buy-Back Renewal is not expected to have any potential material disadvantages to the Company and its shareholders and it will be implemented only after taking into consideration, amongst others, the financial resources of the Group, and of the resultant impact on the shareholders of the Company.

2.10 Details of Purchases in Preceding 12 Months

Details of purchases of CWHB Shares made in the preceding 12 months are as follows:

Date of Purchase	Total Shares Purchased	Lowest Price Paid (RM)	Highest Price Paid (RM)	Average Price Paid (RM)	Total Purchase Consideration (RM)
12.11.2020	473,000	0.945	0.945	0.945	448,540.52
27.11.2020	1,000	1.00	1.00	1.00	1,042.70
30.11.2020	56,500	1.00	1.00	1.00	56,876.29
08.01.2021	8,500	1.00	1.00	1.00	8,556.61
12.01.2021	25,000	1.00	1.00	1.00	25,166.50
29.01.2021	26,500	1.00	1.00	1.00	26,676.49
02.02.2021	42,400	1.00	1.00	1.00	42,682.38
30.03.2021	356,900	1.15	1.18	1.16526	417,528.56
31.03.2021	31,300	1.15	1.15	1.15	36,270.73
02.04.2021	72,600	1.15	1.15	1.15	84,130.05
07.04.2021	295,800	1.18	1.22	1.21298	360,248.1
08.04.2021	8,400	1.22	1.22	1.22	10,327.26
19.04.2021	267,800	1.30	1.35	1.33017	357,659.18
20.04.2021	519,600	1.37	1.40	1.3955	727,825.17
17.05.2021	261,900	1.32	1.36	1.34386	353,381.74
18.05.2021	19,300	1.34	1.36	1.35782	26,407.47
20.05.2021	101,200	1.34	1.36	1.34248	136,467.77
31.05.2021	6,000	1.30	1.33	1.305	7,890.15
03.06.2021	88,200	1.30	1.33	1.31669	116,653.20
09.06.2021	220,500	1.30	1.30	1.30	287,847.55
TOTAL	2,882,400				3,532,178.42

The Company has not resold or transferred or cancelled any treasury shares in the preceding 12 months and up to the LPD.

3. RATIONALE OF THE PROPOSED SHARE BUY-BACK RENEWAL

The procurement of the shareholders' approval for the Proposed Share Buy-Back Renewal would enable the Company to purchase its own Shares as and when appropriate and at market prices which the Board views favourable.

The Proposed Share Buy-Back Renewal will enable CWHB to utilise any of its surplus financial resources, which is not immediately required for other uses, to purchase its own Shares from the open market.

The Shares so purchased by the Company can be held as treasury shares and resold on Bursa Securities at a higher price. The Company may also utilise the treasury shares as share dividends for future dividend pay-out.

4. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the directors, major shareholders and/or persons connected to them has any interest, direct or indirect, the Proposed Share Buy-Back Renewal.

The details of shareholdings held by directors, major shareholders and/or persons connected to them as at LPD and the pro forma effects of the Proposed Share Buy-Back Renewal as at LPD are as follows:-

Directors	Shareholdings as at LPD				After the Proposed Share Buy-Back Renewal and assuming the maximum Shares are purchased			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tsai Yung Chuan	-	-	162,430,446 ^{N1}	56.70	-	-	162,430,446 ^{N1}	60.25
Tsai Chia Ling	838,400	0.29	162,430,446 ^{N1}	56.70	838,400	0.31	162,430,446 ^{N1}	60.25
Lim Chien Ch'eng	6,009,650	2.10	1,765,314 ^{N2}	0.62	6,009,650	2.23	1,765,314 ^{N2}	0.65

Notes:

N1 Deemed interested by virtue of Section 8 of the Act held through Benua Handal Sdn. Bhd.

N2 Deemed interested by virtue of Section 8 of the Act held through Indra Cempaka Sdn. Bhd.

Major Shareholders	Shareholdings as at LPD				After the Proposed Share Buy-Back Renewal and assuming the maximum Shares are purchased			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)	No. of Shares	(%)
Benua Handal Sdn. Bhd.	162,430,446	56.70	-	-	162,430,446	60.25	-	-
Quintet Luxembourg for Samarang Ucits – Samarang Asian Prosperity	28,285,000	9.87	-	-	28,285,000	10.49	-	-
Tsai Yung Chuan	-	-	162,430,446 ^{N1}	56.70	-	-	162,430,446 ^{N1}	60.25
Tsai Chia Ling	838,400	0.29	162,430,446 ^{N1}	56.70	838,400	0.31	162,430,446 ^{N1}	60.25
Tsai Cheng Hsun	-	-	162,430,446 ^{N1}	56.70	-	-	162,430,446 ^{N1}	60.25
Tsai Chia Wen	-	-	162,430,446 ^{N1}	56.70	-	-	162,430,446 ^{N1}	60.25

Note:

N1 Deemed interested by virtue of Section 8 of the Act held through Benua Handal Sdn. Bhd.

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5. EFFECTS OF THE PROPOSED SHARE BUY-BACK RENEWAL

5.1 Issued Shares

The effect of the Proposed Share Buy-Back Renewal on the total number of issued shares of CWHB will depend on the intention of the Board with regard to the treatment of the Shares so purchased.

If the Shares so purchased are retained as treasury shares, resold or distributed to shareholders as dividends, the Proposed Share Buy-Back Renewal will not have any effect on the total number of issued shares of the Company. However, if the Shares so purchased are cancelled, the total number of issued shares of CWHB will be reduced by the number of Shares so cancelled.

Assuming the maximum number of CWHB Shares are purchased and subsequently cancelled, the pro forma effects of the Proposed Share Buy-Back Renewal on the total issued shares of the Company are as follows:-

	No. of Shares
Total number of issued shares (excluding treasury shares) as at LPD	286,463,368
Assuming maximum CWHB Shares to be purchased under the Proposed Share Buy-Back Renewal are cancelled	(16,883,517)
Total number of issued shares in the event the purchased shares are cancelled	269,579,851

5.2 Earnings and EPS

The effect of the Proposed Share Buy-Back Renewal on EPS of the Group will depend on the actual number of Shares purchased, the price paid for the Shares and the effective cost of funding of the Group.

5.3 Net Assets

The effect of the Proposed Share Buy-Back Renewal on the net assets per Share of the Group will depend on the actual purchase price of the Shares and the effective cost of funding, loss in interest income of the Company and the treatment of the Shares so purchased.

Assuming the Shares so purchased are retained as treasury shares, the net assets per Share will decrease due to the accounting requirements for treasury shares to be carried at cost resulting in a decrease by the cost of the treasury shares.

Assuming the Shares so purchased are resold, the net assets per Share upon the resale will increase if the Company realises a gain from the resale, and vice versa.

Assuming the Shares so purchase are distributed as dividends, the net assets per Share of the Group will be reduced by the cost of the treasury shares.

5.4 Working Capital

The Proposed Share Buy-Back Renewal will reduce the working capital of the Company, the quantum of which will depend amongst others, the number of Shares purchased and the purchase price of the Shares.

6. DIRECTORS' RECOMMENDATION

The Board, after considered the rationale for the Proposed Share Buy-Back Renewal, is of the opinion that the Proposed Share Buy-Back Renewal is in the best interest of the Company. As such, the Board recommends that you vote in favour of the ordinary resolution to be tabled under Special Business at the Company's forthcoming 25th AGM.

7. HISTORICAL MARKET SHARE PRICES OF CWHB

The monthly high and low prices of CWHB Shares as traded on Bursa Securities for the preceding 12 months are as follows:-

Year/Month	High (RM)	Low (RM)
2021		
January	1.12	1.00
February	1.15	1.00
March	1.18	1.01
April	1.58	1.15
May	1.58	1.26
June	1.33	1.20
July	1.29	1.21
August	1.40	1.16
September	1.42	1.22
October	1.35	1.23
November	1.32	1.22
December	1.30	1.25

(Source : <https://www.investing.com/equities/chin-well-holdings-bhd-historical-data>)

The last transacted price of CWHB Shares as at LPD was RM1.29.

8. AGM

The 25th AGM of the Company will be held fully virtual on Friday, 28 January 2022 at 10.30 a.m. for the purpose of considering and, if thought fit, passing, inter alia, the ordinary resolution to give effect to the Proposed Share Buy-Back Renewal.

If you are unable to attend and vote in person at the 25th AGM, you may complete and return the Proxy Form enclosed in the Company's Annual Report in accordance with the instructions printed therein as soon as possible in any event, so as to arrive at the registered office of CWHB at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than 48 hours before the time appointed for holding the meeting or adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll.

The lodging of the Proxy Form does not preclude you from attending and voting in person at the 25th AGM should you subsequently decide to do so.

Shareholders are advised to refer to the Administrative Guide issued together with the Notice of the 25th AGM and follow the procedures set out therein in order to participate remotely via the Remote Participation and Voting (RPV) facilities.

9. FURTHER INFORMATION

Shareholders are requested to refer to Appendices for further information.

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Directors, 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 this Statement misleading.

2. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office during normal office hours from Mondays to Fridays (except public holidays) from the date of this Statement up to and including the date of the forthcoming 25th AGM:-

- i) Constitution of the Company;
- ii) Audited Financial Statements of the Group for the past 2 financial years ended 30 June 2020 and 30 June 2021; and
- iii) The latest unaudited consolidated financial statements of CWHB for the 3 months ended 30 September 2021.



CHIN WELL HOLDINGS BERHAD
Registration No. 199501042347 (371551-T)
(Incorporated in Malaysia)

**EXTRACT OF RESOLUTION TO BE TABLED AS SPECIAL BUSINESS
AT THE FORTHCOMING 25th AGM**

**PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY OF UP TO 10% OF THE TOTAL
NUMBER OF ISSUED SHARES OF THE COMPANY**

"THAT, subject to the Companies Act, 2016 ("the Act"), the Company's Constitution and the Main Market Listing Requirements ("Main LR") of Bursa Securities and all other applicable laws, guidelines, rules and regulations, the Directors of the Company be hereby authorised to purchase such number of ordinary shares ("CWHB Shares") comprised in the total number of issued shares of the Company as may be determined by the Directors from time to time through Bursa Securities subject further to the following:

- (a) the aggregate number CWHB Shares which may be purchased or held by the Company shall not exceed 10% of the total number of issued shares of the Company ("Proposed Share Buy-Back"), subject to the restriction that the issued shares of the Company does not fall below the minimum share capital requirements of the Main LR of Bursa Securities that the Company continues to maintain a shareholding spread that is in compliance with the Main LR after the share purchase;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the CWHB Shares under the Proposed Share Buy-Back shall not exceed the retained profits of the Company;
- (c) the authority conferred by this resolution to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until;
 - (i) the conclusion of the next AGM of the Company at which such resolution was passed at the which time the authority would lapse unless by ordinary resolution passed at the next AGM, the authority is renewed, either conditionally or subject to conditions; or
 - (ii) the expiration of the period within the next AGM of the Company after that date is required by law to be held; or
 - (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company of the CWHB Shares before the aforesaid expiry date and, made in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities; and

- (d) upon completion of the purchase(s) of the CWHB Shares by the Company, the Directors be hereby authorised to retain the CWHB Shares so purchased as treasury shares, which may be distributed as dividends to shareholders, cancel and/or resold on Bursa Securities, in the manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Main LR of Bursa Securities and any other relevant authority for the time being in force,

AND THAT, the Directors be hereby authorised to take all such steps as are necessary or expedient to implement, finalise, complete or to effect the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company to give full effect to and to complete the purchase of CWHB Shares.

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