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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 adviser immediately.

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

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

The Notice convening the 27th Annual General Meeting ("**AGM**") of Chin Well Holdings Berhad which will be held at the Conference Room of Chin Well Holdings Berhad at No. 1586, MK. 11, Lorong Perusahaan Utama 1, Bukit Tengah Industrial Park, 14000 Bukit Mertajam, Penang on Wednesday, 29 November 2023 at 11.00 a.m. together with the Proxy Form and the Letter to Shareholders 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 27th AGM is entitled to appoint a proxy or proxies to attend and to vote on his/her behalf. If you decide to appoint a proxy to attend and vote on your behalf at the 27th 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 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 will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day and time for lodging Proxy Form:	Monday	27 November 2023	11.00 a.m.
Date and time of the 27 th AGM:	Wednesday	29 November 2023	11.00 a.m.

This Circular is dated 31 October 2023

DEFINITIONS

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

Act	: The Companies Act, 2016, and any statutory modification, amendment or re-enactment thereof for the time being in force.
AGM	: Annual General Meeting
Asia Angel	: Asia Angel Holdings Limited
Board	: Board of Directors of CWHB
Bursa Securities	: Bursa Malaysia Securities Berhad
Chin Herr	: Chin Herr Industries (M) Sdn. Bhd.
Circular	: This circular to the shareholders of CWHB dated 31 October 2023
CMSA	: The Capital Markets and Services Act 2007 as amended from time to time
CW Fasteners	: Chin Well Fasteners Co. Sdn. Bhd.
CWHB or the Company	: Chin Well Holdings Berhad
CWHB Group or the Group	: CWHB and its subsidiaries, collectively
CW Service Centre	: Chin Well Service Centre Sdn. Bhd.
CW Vietnam	: Chin Well Fasteners (Vietnam) Co. Ltd.
Director	: As defined in Section 2(1) of the CMSA and for the purpose of the Proposed Renewal of Shareholders' Mandate, this includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of CWHB or any other company which is a subsidiary of CWHB or a holding company of CWHB or a Chief Executive of CWHB, its subsidiary or holding company
JYMI	: Jiu Yang Metal Industry Sdn. Bhd.
JHE	: Jinn Her Enterprise Co., Ltd.
Jadi Raya	: Jadi Raya Development Sdn. Bhd.
LPD	: 29 September 2023, being the latest practicable date prior to the printing of this Circular
Main LR	: The Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
Major Shareholder	: A person who has an interest or interests in one or more voting shares in CWHB and the number, or the aggregate number of those shares, is :

DEFINITIONS

(i) 10% or more of the total number of voting shares in CWHB; or

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

For the purpose of this definition. "interest in shares" has the meaning given in Section 8 of the Act.

For the purpose of the Proposed Renewal of Shareholders' Mandate this includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of CWHB as defined above or any other company which is a subsidiary of CWHB or a holding company of CWHB.

NBH Realty	: NBH Realty Sdn. Bhd.
Proposed Renewal of Shareholders' Mandate	: Proposed Renewal of Shareholders' Mandate for CWHB Group to enter into Recurrent Related Party Transactions
Recurrent Related Party Transaction(s) or RRPTs	: Recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group and are in the ordinary course of business and are on terms not more favourable to the Related Party(ies) than those generally available to the public and are not to the detriment of the minority shareholders.
Related Party(ies)	: A director, major shareholder or person(s) connected with such director or major shareholder of CWHB Group
RM and sen	: Ringgit Malaysia and sen respectively
TCH	: Tsai Cheng Hsun
TCHH	: Tsai Chang Hsiu-Hsiang
TCL	: Tsai Chia Ling
TCW	: Tsai Chia Wen
THH	: Tsai Chen Hsi-Hui
THT	: Tsai Hsiung Tien
TJH	: Tsai Jung Hsien
TJT	: Tsai Jung Tai
TYC	: Tsai Yung Chuan
TYY	: Tsai Yung Yu

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

Registered Office

51-21-A
Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 George Town
Penang

31 October 2023

Board of Directors

Lim Chien Ch'eng (*Non-Independent Non-Executive Chairman*)
Tsai Yung Chuan (*Managing Director*)
Tsai Chang Hsiu-Hsiang (*Executive Director*)
Tsai Chia Ling (*Executive Director*)
Tsai Cheng Hsun (*Executive Director*)
Ang Seng Oo (*Independent Non-Executive Director*)
Datin Sharmin Fazlina Binti Mohd Shukor (*Independent Non-Executive Director*)
Low Yeaw Seng (*Independent Non-Executive Director*)

To: Shareholders of Chin Well Holdings Berhad

Dear Sir / Madam,

CHIN WELL HOLDINGS BERHAD

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

1. INTRODUCTION

At the 26th AGM held on 29 November 2022, the Company had obtained the shareholders' mandate to enter into Recurrent Related Party Transactions. The AGM Mandate shall lapse at the conclusion of the forthcoming 27th AGM which will be held on 29 November 2023, unless by the authority is renewed.

On 05 October 2023, the Board announced to Bursa Securities of its intention to seek shareholders' approval on the renewal of the shareholders' mandate at the forthcoming 27th AGM of the Company to allow the Group, in the normal course of business, to enter into Recurrent Related Party Transactions provided that such transactions are made at arm's length, on the Group's normal commercial terms which 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. Details of the Proposed Renewal of Shareholders' Mandate are set out in the ensuing sections of this Circular.

The purpose of this Circular is to provide you with the relevant information on the Proposed Renewal of Shareholders' Mandate and to seek your approval for the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 27th AGM. The extract of the ordinary resolution is set out in "Appendix II" enclosed together with this Circular.

The Notice of the 27th AGM and the Proxy Form are enclosed in the Annual Report of the Company for the financial year ended 30 June 2023.

SHAREHOLDERS OF CWHB ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

2.1 Main LR

Pursuant to Paragraph 10.09(2) of the Main LR, the Company may seek a shareholders' mandate in respect of RRPTs subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:
 - (i) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1.0 million; or
 - (ii) any one of the percentage ratios of such aggregated transactions is equal to or exceeds 1%;

whichever is the higher;

- (c) the issuance of circular to shareholders for the shareholders' mandate shall include information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) immediately announce to Bursa Securities when the actual value of the Recurrent Related Party Transactions entered into exceeds the estimated value of the Recurrent Related Party Transactions disclosed in the circular by 10% or more and to include the information as may be prescribed by the Bursa Securities in its announcement.

Accordingly, the Board proposes to seek the shareholders' approval for Proposed Renewal of Shareholders' Mandate for the CWHB Group to enter into Recurrent Related Party Transactions.

2.2 Validity Period of the Proposed Renewal of Shareholders' Mandate

The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders at the forthcoming 27th AGM, will take effect from the passing of the ordinary resolution proposed at the forthcoming 27th AGM and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the forthcoming 27th AGM at which the Proposed Renewal of Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at such AGM, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

Thereafter, the approval from shareholders will be sought for the renewal of shareholders' mandate for the Recurrent Related Party Transactions, as applicable, at each subsequent AGM of the Company or at a general meeting to be convened.

2.3 Principal activities of CWHB Group

CWHB is principally an investment holding company. The principal activities of its subsidiaries are as follows:-

No.	Name of Direct Subsidiary	Principal Activities	Effective Equity Interest (%)
1.	CW Fasteners	Manufacturing of various carbon steel fastener products which include screws, nuts, bolts, threaded bar, pins, rivets, drawn wire for fasteners and other customised products.	100
2.	CW Service Centre	Trading of wire rods, carbon steel fastener products (screws, nuts, bolts, pins, rivets, threaded bar and washer), accessories and other related products and the provision of after sales services.	100
3.	Chin Herr	Manufacturing of galvanised wire, annealing wire, bright wire, hard drawn wire, Polyvinyl Chloride Compound wire, bent round bar and British Reinforcement Concrete wire mesh.	100
4.	CW Vietnam	Manufacturing of screws, nuts, bolts and other fastening products.	60
5.	Asia Angel	Investment Holding	100
Subsidiary company of CW Service Centre			
1.	NBH Realty	Property Investment	45
2.	Jadi Raya	Property Investment	45

2.4 Details of Recurrent Related Party Transactions

The Proposed Renewal of Shareholders' Mandate will apply to the following transactions with the related parties:-

Transacting Party ^ Subsidiaries of CWHB Involved	Related Parties	Nature of Transactions	Estimated Aggregate Value Per Annum # (RM)	Existing Recurrent Related Party Transaction	
				The estimated value as disclosed in the Circular to Shareholders dated 31 October 2022 (RM)	Actual Value Transacted from 29 November 2022 to LPD (RM)
CW Fasteners	JHE	Purchase of indirect materials (mould, dies, chemicals and consumable material), packing materials, raw materials (wire rod), machinery and parts for the manufacturing of bolts, nuts, screws and threaded items from JHE	1,500,000	2,000,000	499,246
CW Service Centre	JHE	Purchase of raw material (wire rod) for the manufacturing of bolts, nuts, screws and threaded items, and work-in-progress materials (bolts, nuts, screw and threaded items) from JHE	500,000	500,000	-
Chin Herr	JHE	Purchase of indirect materials (mould and dies) and machinery parts for the manufacturing of galvanised wire from JHE	500,000	500,000	-
CW Vietnam	JHE	Purchase of indirect materials (mould and dies) and machinery parts for the manufacturing of bolts, nuts, screws and threaded items from JHE	5,000,000	6,000,000	593,505
CW Fasteners	JYMI	Provision of plating or galvanising services to CWF	12,000,000	12,000,000	3,655,778
Chin Herr	JYMI	Provision of plating or galvanising services to CHI	500,000	500,000	-
				21,500,000	4,748,529

The estimated aggregate values as stated above are for transactions to be entered into from the date of the forthcoming AGM until the conclusion of the next AGM of the Company. Such estimated aggregate values are subject to changes.

^ Class of Related Parties and Nature of Relationships are as follows:

(N1) Family relationships between the directors, major shareholders and persons connected to them are as follows:-

- (a) TYC and TYY are brothers
- (b) TCHH is the spouse of TYC
- (c) THH is the spouse of TYY
- (d) TCL, TCH and TCW are children of TYC and TCHH
- (f) TJH, THT and TJT are children of TYY and THH

(N2) TYC, TCHH, TCL and TCH are directors of CWHB whilst TYC, TCL, TCH and TCW are major shareholders of CWHB as well as persons connected. TYY, THH, TJH, THT and TJT are persons connected to directors and major shareholders of CWHB.

(N3) TYC, TCHH, TCL, TCH and TCW collectively referred to as "Interested Persons".

(N3) JHE is a company incorporated in Republic of China, Taiwan and is principally involved in the manufacturing and trading of fasteners and related products.

The Interested Persons are interested in the transactions by virtue of their family relationships and interests in JHE. The details of shareholdings in JHE as at LPD are as follows:-

	Direct Interest		Indirect Interest	
	No. of shares	(%)	No. of shares	(%)
TYC	2,464,448	2.78	-	-
TCHH	1,992,571	2.24	-	-
TCL	252,653	0.28	-	-
TYY	18,581,324	20.92	-	-
THH	15,971,387	17.99	-	-
TJH	8,275,627	9.32	-	-
THT	12,817,135	14.43	-	-
TJT	10,773,214	12.13	-	-

(N3) JYMI is a company incorporated in Malaysia and is principally involved in galvanising of nut, bolts and metal parts.

The Interested Persons are interested in the transactions by virtue of TYC is a director and shareholder of JYMI. As at LPD, TYC holds 675,002 ordinary shares representing 15% equity interest in JYMI.

2.5 Review methods and procedures for Recurrent Related Party Transactions

The Company had established the following methods and procedures to ensure the Related Party Transactions are undertaken on arm's length basis and on the normal commercial terms which are consistent with the Group's usual business practices and policies which are on terms not more favourable to the related parties than those extended to the public or third parties and are not to the detriment of the minority shareholders:

- i) A list of related parties will be circulated within the Group to notify that all Recurrent Related Party Transactions are required to be undertaken on arm's length basis and on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public.
- ii) Where Recurrent Related Party Transaction is with a value of more than RM1,000,000.00 per transaction, it will be reviewed by two (2) management staffs who have no interests in the transaction and approved by the Board. And whereas, Recurrent Related Party Transaction is with a value of less than RM1,000,000.00 per transaction, it will be reviewed and approved by one (1) management staff who has no interest in the transaction.
- iii) Records will be maintained by the Company on all Recurrent Related Party Transactions which are entered into pursuant to the shareholders' mandate.
- iv) The annual internal audit plan shall incorporate a review of all Recurrent Related Party Transactions entered into pursuant to the shareholders' mandate to ensure that the relevant approvals have been obtained and to review procedures and processes in respect of such transactions are adhered to.
- v) The Audit Committee shall review and monitor the internal audit reports to ascertain that the guidelines and procedures established for Recurrent Related Party Transactions have been complied with and the said review shall be done quarterly together with the review of the Company's quarterly financial results.
- vi) The Board and the Audit Committee shall have authority to review procedures as and when required and to sub-delegate to individuals or committees within the Company as they deem appropriate. If a Board or Audit Committee member has an interest in the transaction as the case may be, he will abstain from any decision making by the Board or Audit Committee in respect of the said transaction.
- vii) At least 2 other contemporaneous transactions with 3rd parties for similar products and/or quantities will be used as comparison, wherever possible for determining the price and terms offered by/to the related parties are fair and reasonable as compared with those offered by 3rd parties. It is the Company's policy to buy/sell from related parties when the prices and terms are competitive. Other factors taken into considerations for evaluation purposes will be reliability of supply, delivery, quality materials or goods and services. In the event that quotations or comparative pricing from unrelated third parties cannot be obtained, the Audit Committee will rely on the usual business norms and practices taking into account the efficiency, reliability, quality and type of support services to be provided to ensure that the Recurrent Related Party Transactions are not detrimental to the Group.
- viii) The cost plus method will be used to determine the transaction price. This method determines the arm's length price by adding an appropriate mark-up to the cost of production. In the event that quotation or comparative pricing from unrelated parties cannot be obtained, the transaction price will be determined based on those offered to/by 3rd parties for the same or similar products or transactions to ensure that the Recurrent Related Party Transactions are not detrimental to the Company.

2.6 Rationale of the Proposed Renewal of Shareholders' Mandate

The Recurrent Related Party Transactions to be entered into by the CWHB Group are in the

ordinary course of business and intended to meet the business needs and opportunities of the Group at the best possible terms and costs through bulk purchases arrangement so as to enhance CWHB's position in the bolts and fasteners industry for providing total solutions to its customers. The Group and Related Parties have a good understanding of each other businesses thus providing a platform where all parties can benefit from conducting the Recurrent Related Party Transactions. As such, it is anticipated that the Recurrent Related Party Transactions would occur on a frequent and recurrent basis.

The Proposed Renewal of Shareholders' Mandate would eliminate the need to announce and convene separate general meetings from time to time to seek shareholders' approval as and when potential recurrent transactions which involves the interests of, or with a Related Parties arise, thereby reducing substantially the administrative time and expenses in convening such meetings without compromising the corporate objectives and adversely affecting the business opportunities available to the CWHB Group.

2.7 Statement by Audit Committee

The Audit Committee of the Company has reviewed the procedures set out in Section 2.5 above and is satisfied that the said procedures are sufficient to ensure that the RRPTs will be undertaken:

- on arm's length basis;
- under normal commercial terms consistent with the Group's business practices and policies;
- on terms not more favourable to the Related Parties than those generally available to the public; and
- not to the detriment of the minority shareholders of the Company.

The Audit Committee is of the view that the Group has put in place adequate procedures and processes to identify, track and monitor RRPTs in a timely and orderly manner, and will, at its discretion, amend the guidelines and procedures which are no longer appropriate or adequate, to ensure that the RRPTs are, at all times, carried out on terms consistent within the Group's practices and not detrimental to the minority shareholders. These procedures and processes will be reviewed on a yearly basis to be in line with the corporate objectives of the Group.

The Audit Committee of the Company, after having considered all the relevant aspects of the Proposed Renewal of Shareholders' Mandate, including the rationale and effects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of CWHB Group.

3. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save as disclosed below, none of the other directors and/or major shareholders and/or persons connected to them has any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate as at LPD.

The interested directors and their shareholdings in CWHB as at LPD are as follows:

Interested Directors	Direct Interest		Indirect Interest	
	No. of shares	(%)	No. of shares	(%)
TYC	-	-	163,522,346*	57.09
TCL	838,400	0.29	163,522,346*	57.09
TCH	-	-	163,522,346*	57.09
TCHH	-	-	-	-

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

The interested directors have abstained and/or will continue to abstain from Board's deliberations and voting on the relevant resolution at all Board meetings. Accordingly, they will also abstain from voting on the ordinary resolution deliberating or approving the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

The interested major shareholders and their shareholdings in CWHB as at LPD are as follows:

Interested Major Shareholders	Direct Interest		Indirect Interest	
	No. of shares	(%)	No. of shares	(%)
Benua Handal Sdn Bhd	163,522,346	57.09	-	-
TYC	-	-	163,522,346*	57.09
TCL	838,400	0.29	163,522,346*	57.09
TCH	-	-	163,522,346*	57.09
TCW	-	-	163,522,346*	57.09

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

The interested major shareholders will abstain from voting in respect of their direct and/or indirect shareholdings on the ordinary resolution deliberating or approving the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

The interested directors and/or interested major shareholders have undertaken that they will ensure that the persons connected with them will abstain from voting on the ordinary resolution deliberating or approving the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

4. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will not have any material effect on the issued and paid-up share capital, earnings, net assets, gearing and substantial shareholders' shareholdings of the CWHB Group.

5. APPROVALS REQUIRED

The Proposed Renewal of Shareholders' Mandate is subject to and conditional upon the approval of the shareholders of the Company at the forthcoming AGM.

6. DIRECTORS' RECOMMENDATION

The Board (save for the interested directors) after 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 interest of the Company.

Accordingly, the Board (save for the interested directors) recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 27th AGM.

7. AMOUNT DUE AND OWING BY RELATED PARTIES

As at financial year ended 30 June 2023 and LPD, there is no outstanding sum due or owing to the Group by the Related Parties pursuant to the Recurrent Related Party Transactions.

8. 27th AGM`

The 27th AGM of the Company will be held at the Conference Room of Chin Well Holdings Berhad at No. 1586, MK. 11, Lorong Perusahaan Utama 1, Bukit Tengah Industrial Park, 14000 Bukit Mertajam, Penang on Wednesday, 29 November 2023 at 11.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolution to give effect to the Proposed Renewal of Shareholders' Mandate.

If you are unable to attend and vote in person at the 27th AGM and intend to appoint a proxy to vote on your behalf, please complete, sign and return the Proxy Form in accordance with the instructions contained therein to the registered office of the Company at 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 George Town, Penang not later than 48 hours before the time 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 27th AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are advised to refer to the Appendices for further information.

Yours faithfully,
For and on behalf of the Board of
CHIN WELL HOLDINGS BERHAD

ANG SENG OO
Independent Non-Executive Director

GENERAL INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

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

2. MATERIAL CONTRACTS

Save as disclosed below, as at the LPD, the Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the 2 years immediately preceding the date of this Circular:

CW Service Centre, a wholly-owned subsidiary of CWHB had, on 25 October 2021, entered into a conditional settlement agreement ("Settlement") with NBH Service Centre Sdn Bhd, Ng Beng Hoo and Toh Su See in relation to the settlement of RM47,683,244.80 due from NBH Service Centre Sdn Bhd to CW Service Centre as detailed below:

- (i) Transfer amount amounting to RM27,681,274.59 will be settled by way of the following:
 - (a) 45% of the adjusted net assets ("NA") of NBH Realty as at 31 December 2020 amounting to RM1,686,979.17;
 - (b) 45% of the adjusted NA of Jadi Raya as at 31 December 2020 amounting to RM98,514.90; and
 - (c) the Toh Su See advances amounting to RM25,895,780.52 as at the date of the Settlement Agreement;
- (ii) Balance amount amounting to RM20,001,970.21 represents the Amount Owing after deducting the transfer amount and will be settled over a period of five (5) years.

The Settlement is deemed to be a related party transaction pursuant to Paragraph 10.08 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad as certain directors and/or major shareholders of the Company are deemed interested in the Settlement. The Settlement was approved by the shareholders in the EGM held on 28 January 2022 and it has been completed on 7 February 2022.

3. MATERIAL LITIGATIONS, CLAIMS OR ARBITRATION

As at the LPD, neither CWHB 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 CWHB Group and the Board of CWHB is not aware and does not have any knowledge of any proceedings pending or threatened against the CWHB Group, or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the CWHB Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 George Town, Penang during normal office hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the forthcoming 27th AGM:-

- i) The Constitution of CWHB;
- ii) The audited consolidated financial statements of CWHB for the past 2 financial years ended 30 June 2022 and 30 June 2023; and
- iii) The Settlement Agreement referred to in Section 2 of this Appendix I.



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

**EXTRACT OF ORDINARY RESOLUTION 10 TO BE TABLED AS SPECIAL BUSINESS
AT THE FORTHCOMING 27th AGM**

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

"THAT, subject always to the provisions of the Companies Act, 2016, the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and/or any other regulatory authorities, the authority be and is hereby given for the Company's subsidiaries to enter into recurrent related party transactions of a revenue or trading nature ("**Proposed Renewal of Shareholders' Mandate**") as set out in Section 2.4 of the Circular to Shareholders dated 31 October 2023 in relation to the Proposed Renewal of Shareholders' Mandate provided that such transactions are in the ordinary course of business which are necessary for the day-to-day operations 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 and that such authority shall continue to be in force until :

- (a) the conclusion of the next AGM of the Company following the AGM at which the Proposed Renewal of Shareholders' Mandate is passed, at which time it will lapse unless by an ordinary resolution passed at the AGM, the authority is renewed;
- (b) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier:

AND THAT, the Directors of the Company and the subsidiary companies be and are hereby authorised to complete and do all such acts including executing any documents as may be required to give full effect to such transactions as authorised by this resolution."