

**THIS CIRCULAR 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 adviser immediately.**

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has only conducted limited review on this Circular pursuant to Paragraph 4.1 of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



## **SENG FONG HOLDINGS BERHAD**

(Registration No.: 202101022910 (1423210-X))  
(Incorporated in Malaysia under the Companies Act, 2016)

### **CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

**PROPOSED BONUS ISSUE OF UP TO 190,285,333 NEW ORDINARY SHARES IN SENG FONG HOLDINGS BERHAD (“SENG FONG” OR “COMPANY”) (“BONUS SHARES”) ON THE BASIS OF 1 BONUS SHARE FOR EVERY 3 EXISTING ORDINARY SHARES IN SENG FONG HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“PROPOSED BONUS ISSUE”)**

**AND**

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*



Hong Leong Investment Bank Berhad  
(Registration No. 197001000928 (10209-W))

(A Participating Organisation of Bursa Malaysia Securities Berhad)  
(A Trading Participant of Bursa Malaysia Derivatives Berhad)

The notice of the Extraordinary General Meeting of Seng Fong (“**EGM**”) to be convened and held at Holiday Inn Melaka, Jalan Syed Abdul Aziz, 75000 Melaka, Malaysia on Monday, 6 May 2024 at 11.00 a.m., together with the Proxy Form, are enclosed in this Circular.

You are entitled to attend and vote at the EGM. If you wish to appoint a proxy or proxies to attend and vote on your behalf, you may deposit your Proxy Form at the registered office of the Company at No.2 (1<sup>st</sup> Floor), Jalan Marin, Taman Marin, Jalan Haji Abdullah, Sungai Abong, 84000 Muar, Johor. The Proxy Form may also be lodged electronically to the Company’s Share Registrar via TIIH Online (<https://tiih.online>), on or before the date and time indicated below in order for it to be valid. The lodging of the Proxy Form does not preclude a member from attending and voting in person at the EGM should you subsequently wish to do so.

Last day, date and time for lodging the Proxy Form : Sunday, 5 May 2024 at 11.00 a.m.  
Day, date and time of the EGM : Monday, 6 May 2024 at 11.00 a.m.

This Circular is dated 5 April 2024

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## DEFINITIONS

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

Act	:	Companies Act, 2016
Board	:	Board of Directors of Seng Fong
Bonus Shares	:	Up to 190,285,333 new Shares to be issued pursuant to the Proposed Bonus Issue
Bursa Securities	:	Bursa Malaysia Securities Berhad
Circular	:	This circular to our Shareholders dated 5 April 2024 in relation to the Proposed Bonus Issue
EGM	:	Extraordinary general meeting of our Company
Entitled Shareholders	:	Shareholders whose names appear in the Record of Depositors of our Company on the Entitlement Date
Entitlement Date	:	A date to be determined and announced later by our Board, on which the name of the shareholders must appear in the Record of Depositors of our Company as at 5.00 p.m. in order to be entitled to the Bonus Shares
FYE	:	Financial year ended/ending, as the case may be
Group	:	Seng Fong and our subsidiaries, collectively
HLIB or Principal Adviser	:	Hong Leong Investment Bank Berhad
Indicative Issue Price	:	The Placement Shares are assumed to be issued at an indicative issue price of RM0.75 per Placement Share, representing a discount of approximately 2.6% to the 5-day VWAMP of Seng Fong Shares up to and including the LTD of RM0.7703 per Share
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	27 March 2024, being the latest practicable date prior to the printing of this Circular
LTD	:	22 February 2024, being the last trading day immediately preceding the date of the announcement of the Proposed Bonus Issue
NA	:	Net assets
Placement Shares	:	Up to 51,896,000 new Shares to be issued by our Company pursuant to the Private Placement
Private Placement	:	Private placement of up to 51,896,000 Placement Shares, representing up to 10.0% of the total number of issued Shares to third party investor(s) to be identified later at an issue price to be determined later, which was announced on 23 February 2024
Proposed Bonus Issue	:	Proposed bonus issue of up to 190,285,333 Bonus Shares on the basis of 1 Bonus Share for every 3 existing Shares held by the Entitled Shareholders on the Entitlement Date
Record of Depositors	:	A record of depositors established by Bursa Malaysia Depository Sdn Bhd pursuant to the Rules of Bursa Malaysia Depository Sdn Bhd

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## **DEFINITIONS (CONT'D)**

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Shareholders	:	Shareholders of our Company
Seng Fong or Company	:	Seng Fong Holdings Berhad
Seng Fong Share(s) or Share(s)	:	Ordinary shares in Seng Fong
TEBP	:	Theoretical ex-bonus price
VWAMP	:	Volume weighted average market price

### **CURRENCIES**

RM and sen	:	Ringgit Malaysia and sen, respectively
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References to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company, and where the context otherwise requires, shall include our subsidiaries. All references to “**you**” in this Circular are referred to our Shareholders.

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. Any 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.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Company’s plans and objectives will be achieved.

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## EXECUTIVE SUMMARY

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**THIS EXECUTIVE SUMMARY REPRESENTS A SUMMARY OF THE SALIENT INFORMATION ON THE PROPOSED BONUS ISSUE AS SET OUT IN THIS CIRCULAR. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR WITHOUT RELYING SOLELY ON THE EXECUTIVE SUMMARY BEFORE VOTING ON THE RESOLUTION IN RELATION TO THE PROPOSED BONUS ISSUE TO BE TABLED AT OUR FORTHCOMING EGM.**

<b>Key information</b>	<b>Summary</b>	<b>Reference to Circular</b>
<b>Proposed Bonus Issue</b>	The Proposed Bonus Issue entails the issuance of up to 190,285,333 Bonus Shares on the basis of 1 Bonus Share for every 3 existing Shares held by the Entitled Shareholders.	Section 2
<b>Rationale of the Proposed Bonus Issue</b>	<p>The Proposed Bonus Issue is the most appropriate avenue of rewarding our existing Shareholders for their continuous support as the Proposed Bonus Issue will:</p> <ul style="list-style-type: none"><li>(i) enlarge the number of Shares held by our existing Shareholders, while maintaining their percentage of equity shareholding held in our Company; and</li><li>(ii) provide marketability and trading liquidity of the Shares on the Main Market of Bursa Securities and encourage greater participation by investors as well as potentially broadening the shareholder base of our Company.</li></ul>	Section 3
<b>Approvals required and conditionality</b>	<p>The Proposed Bonus Issue is subject to the following approvals being obtained:</p> <ul style="list-style-type: none"><li>(i) Bursa Securities for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities;</li><li>(ii) the shareholders of our Company for the Proposed Bonus Issue at an extraordinary general meeting to be convened; and</li><li>(iii) any other relevant authorities/parties, if required.</li></ul> <p>The Proposed Bonus Issue is not conditional upon any other proposals undertaken or to be undertaken by our Company.</p>	Section 6
<b>Interest of directors, major shareholders, chief executive and/or persons connect with them</b>	Save for their respective entitlements as Entitled Shareholders under the Proposed Bonus Issue, the entitlements of which are similarly available to the other existing Entitled Shareholders, none of the directors, major shareholders, chief executive and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Bonus Issue.	Section 7
<b>Directors' statement and recommendation</b>	<p>Our Board, after having considered all aspects of the Proposed Bonus Issue, including but not limited to the rationale and effects of the Proposed Bonus Issue, is of the opinion that the Proposed Bonus Issue is in the best interest of our Company.</p> <p>Accordingly, our Board recommends that you <b>vote in favour</b> of the resolution pertaining to the Proposed Bonus Issue to be tabled at our forthcoming EGM.</p>	Section 8



**SENG FONG HOLDINGS BERHAD**

(Registration No.: 202101022910 (1423210-X))  
(Incorporated in Malaysia under the Companies Act, 2016)

**Registered Office:**

2 (1<sup>st</sup> Floor), Jalan Marin  
Taman Marin, Jalan Haji Abdullah  
Sungai Abong  
84000 Muar, Johor

5 April 2024

**Board of Directors:**

Ng Ah Bah @ Kok Yee (*Independent Non-Executive Chairman*)  
Er Hock Lai (*Managing Director*)  
E Tak Bin (*Non-Independent Executive Director*)  
Er Tzer Nam (*Non-Independent Executive Director*)  
Chong Yeaw Kiong (*Independent Non-Executive Director*)  
Lim See Tow (*Independent Non-Executive Director*)  
Lim May Wan (*Independent Non-Executive Director*)

**To: Our shareholders**

Dear Sir/Madam,

**PROPOSED BONUS ISSUE**

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**1. INTRODUCTION**

On 23 February 2024, HLIB had, on behalf of our Board, announced that our Company proposes to undertake a Proposed Bonus Issue of up to 190,285,333 Bonus Shares on the basis of 1 Bonus Share for every 3 existing Shares held by the Entitled Shareholders whose names appear in the Record of Depositors of our Company on the Entitlement Date to be determined and announced later.

On 22 March 2024, HLIB had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 22 March 2024, resolved to approve the listing of and quotation for up to 190,285,333 Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities, subject to the conditions as set out in **Section 6** of this Circular.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH RELEVANT INFORMATION ON THE PROPOSED BONUS ISSUE AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION IN RELATION TO THE PROPOSED BONUS ISSUE TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE ENTIRE CONTENTS OF THIS CIRCULAR, TOGETHER WITH THE APPENDIX CONTAINED HEREIN, BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED BONUS ISSUE AT OUR FORTHCOMING EGM.**

## 2. DETAILS OF THE PROPOSED BONUS ISSUE

### 2.1 Basis and number of Bonus Shares to be issued

The Proposed Bonus Issue entails the issuance up to 190,285,333 Bonus Shares on the basis of 1 Bonus Share for every 3 existing Shares held by the Entitled Shareholders on the Entitlement Date.

The maximum number of 190,285,333 Bonus Shares that can be issued under the Proposed Bonus Issue was determined based on 518,960,000 issued Shares as at the LPD and assuming a maximum of 51,896,000 Placement Shares are issued pursuant to the Private Placement.

The actual number of Bonus Shares to be issued pursuant to the Proposed Bonus Issue will be dependent on the total number of issued Shares held by the Entitled Shareholders on the Entitlement Date for the Proposed Bonus Issue after taking into consideration any new Shares that may be issued from the Private Placement.

The Entitlement Date will be determined and announced at a later date by our Board upon receipt of all relevant approvals. The Proposed Bonus Issue will be implemented in a single issuance and is not intended to be implemented in stages over a period of time.

In determining shareholders' entitlements to the Bonus Shares, fractional entitlements, if any, shall be disregarded and dealt with in such manner as our Board may in its absolute discretion deem fit and expedient and in the best interest of our Company.

There will be an adjustment to the market price of Seng Fong Shares after completion of the Proposed Bonus Issue. For illustration purposes, the TEBP of Seng Fong Shares based on the 5-day VWAMP of Seng Fong Shares up to and including the LTD, as well as the lowest daily VWAMP of Seng Fong Shares during the 3-month period before 14 March 2024, being the last trading day immediately preceding the application date for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities, are as follows:

	<b>Before the Proposed Bonus Issue</b>	<b>After the Proposed Bonus Issue</b>
	<b>Market price (RM)</b>	<b>TEBP (RM)</b>
5-day VWAMP up to and including the LTD	0.7703	0.5777
Lowest daily VWAMP during the 3-month period before 14 March 2024	0.7451	0.5588

Based on the above, the Proposed Bonus Issue complies with Paragraph 6.30(1A) of the Listing Requirements whereby a listed issuer must ensure that its share price adjusted for a bonus issue is not less than RM0.50 based on the daily VWAMP during the 3-month period before application date.

### 2.2 No capitalisation of reserves

Under the Act, a bonus issue can be undertaken either:

- (i) by way of capitalisation of the retained earnings/accumulated profits of a company; or
- (ii) without capitalisation, where a company may issue and allot the bonus shares at nil consideration.

Our Board has resolved that the Bonus Shares will be issued as fully paid at no consideration and without capitalisation from our Company's reserves. The Proposed Bonus Issue will increase the number of Seng Fong Shares in issue but will not increase the value of the issued share capital of our Company.

### 2.3 Ranking of the Bonus Shares

The Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the existing Seng Fong Shares, save and except that the Bonus Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Bonus Shares.

### 2.4 Listing of and quotation for the Bonus Shares

Approval has been obtained from Bursa Securities vide its letter dated 22 March 2024 for the listing of and quotation for up to 190,285,333 Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities, subject to the conditions as set out in **Section 6** of this Circular.

Upon obtaining all necessary approvals, the Bonus Shares will be listed and quoted on the Main Market of Bursa Securities the next market day following the Entitlement Date.

## 3. RATIONALE OF THE PROPOSED BONUS ISSUE

The Proposed Bonus Issue is the most appropriate avenue of rewarding our existing Shareholders for their continuous support as the Proposed Bonus Issue will:

- (i) enlarge the number of Shares held by our existing Shareholders, while maintaining their percentage of equity shareholding held in our Company; and
- (ii) provide marketability and trading liquidity of the Shares on the Main Market of Bursa Securities and encourage greater participation by investors as well as potentially broadening the shareholder base of our Company.

In addition, the Proposed Bonus Issue is not expected to affect our Company's reserves and consolidated NA as the Proposed Bonus Issue will be implemented without capitalising our Company's reserves.

## 4. EFFECTS OF THE PROPOSED BONUS ISSUE

For avoidance of doubt, the Private Placement shall be implemented first, followed by the implementation of the Proposed Bonus Issue. However, the Private Placement may be implemented in one or multiple tranches over a period of 6 months from the date of approval of Bursa Securities and certain tranches of Placement Shares may be issued after the implementation of the Proposed Bonus Issue. In the event that the Placement Shares are issued after the completion for the implementation of the Proposed Bonus Issue, any subsequent Placement Shares will not be entitled to the Bonus Shares. As our Company intends to implement the Private Placement first, the effects of the Proposed Bonus Issue set out in the ensuing sub-sections are illustrated after the effects of the Private Placement.

### 4.1 Issued share capital

The pro forma effects of the Proposed Bonus Issue on the issued share capital of Seng Fong as at the LPD are as follows:

	<b>No. of Shares</b>	<b>RM</b>
Issued share capital as at the LPD	518,960,000	143,923,182
Assuming full issuance of Placement Shares	51,896,000	(1)38,922,000
	<b>570,856,000</b>	<b>182,845,182</b>
Issuance of Bonus Shares	190,285,333	-
<b>Enlarged issued share capital</b>	<b>761,141,333</b>	<b>182,845,182</b>

**Note:**

- (1) Assuming 51,896,000 Placement Shares are issued at the Indicative Issue Price.



#### 4.2 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Bonus Issue after taking into consideration the Private Placement on the substantial shareholders' shareholdings of Seng Fong as at the LPD are as follows:

	(I)							
	As at the LPD		After the Private Placement					
	Direct	Indirect	Direct	Indirect				
	<b>No. of Shares</b>	<b>(1)%</b>	<b>No. of Shares</b>	<b>(1)%</b>	<b>No. of Shares</b>	<b>(2)%</b>	<b>No. of Shares</b>	<b>(2)%</b>
Sumber Panji Sdn Bhd	317,232,621	61.1	-	-	317,232,621	55.6	-	-
Er Hock Lai	5	*	(3)317,832,621	61.2	5	*	(3)317,832,621	55.7
E Tak Bin	40,858,570	7.9	(4)150,000	*	40,858,570	7.2	(4)150,000	*

#### (II)

	After (I) and the Proposed Bonus Issue			
	Direct	Indirect	Direct	Indirect
	<b>No. of Shares</b>	<b>(5)%</b>	<b>No. of Shares</b>	<b>(5)%</b>
Sumber Panji Sdn Bhd	422,976,828	55.6	-	-
Er Hock Lai	6	*	(3)423,776,828	55.7
E Tak Bin	54,478,093	7.2	(4)200,000	*

#### Notes:

\* Negligible

(1) Based on the total number of issued Shares of 518,960,000 as at the LPD.

(2) Based on the enlarged number of issued Shares of 570,856,000, assuming full issuance of Placement Shares.

(3) Deemed interested by virtue of his interest in Sumber Panji Sdn Bhd pursuant to Section 8 of the Act and the shareholding of his son, Er Chen Aik, pursuant to Section 59(1)(c) of the Act.

(4) Deemed interested by virtue of the shareholding of his son, E Kok How, pursuant to Section 59(1)(c) of the Act.

(5) Based on the enlarged number of issued Shares of 761,141,333, assuming full issuance of Placement Shares and full issuance of Bonus Shares.

### 4.3 NA and Gearing

The pro forma effects of the Proposed Bonus Issue on the NA and gearing of our Group based on the audited consolidated statements of financial position as at 30 June 2023 are as follows:

	<b>Audited as at 30 June 2023</b>	<b>(I) After the Private Placement</b>	<b>(II) After (I) and the Proposed Bonus Issue</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Share capital	143,923	<sup>(1)</sup> 182,845	182,845
Merger deficit	(71,845)	(71,845)	(71,845)
Retained profit	98,931	<sup>(2)</sup> 98,253	<sup>(2)</sup> 98,127
NA	<b>171,010</b>	<b>209,253</b>	<b>209,127</b>
No. of Shares in issue (‘000)	518,960	570,856	761,141
NA per Share (RM)	0.3	0.4	0.3
Total borrowings (RM)	130,809	130,809	130,809
Gearing ratio (times)	0.8	0.6	0.6

**Notes:**

- (1) Assuming 51,896,000 Placement Shares are issued at the Indicative Issue Price.
- (2) After deducting the estimates expenses of approximately RM0.8 million for the Private Placement and Proposed Bonus Issue.

### 4.4 Earnings and earnings per Share (“EPS”)

The Proposed Bonus Issue is not expected to have any material effect on the earnings of our Group for the FYE 30 June 2024. However, the EPS of our Group is expected to be diluted as a result of the increase in the number of Shares arising from the Proposed Bonus Issue.

### 4.5 Convertible securities

As at the LPD, there are no convertible securities issued by our Company.

## 5. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Seng Fong Shares traded on Bursa Securities for the 12 months preceding the date of this Circular are as follows:

	<b>High</b>	<b>Low</b>
<b><u>2023</u></b>	<b>RM</b>	<b>RM</b>
April	0.745	0.715
May	0.735	0.670
June	0.720	0.675
July	0.715	0.675

	<u>High</u>	<u>Low</u>
August	0.705	0.675
September	0.735	0.685
October	0.760	0.725
November	0.760	0.735
December	0.770	0.745
<b><u>2024</u></b>		
January	0.765	0.745
February	0.860	0.745
March	1.100	0.795
The last transacted market price of Seng Fong Shares as at the LTD (RM)		0.770
The last transacted market price of Seng Fong Shares as at the LPD (RM)		0.970

*(Source: Bloomberg)*

## 6. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Bonus Issue is subject to the following approvals being obtained:

- (a) Bursa Securities for the listing and quotation of up to 190,285,333 Bonus Shares to be issued pursuant to the Proposed Bonus Issue which was obtained vide its letter dated 22 March 2024, subject to the following conditions:

<u>No.</u>	<u>Conditions imposed</u>	<u>Status of compliance</u>
1.	Seng Fong and HLIB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue;	Noted
2.	HLIB to inform Bursa Securities upon the completion of the Proposed Bonus Issue;	To be complied
3.	Seng Fong / HLIB to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders at the forthcoming general meeting for the Proposed Bonus Issue;	To be complied
4.	HLIB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue is completed; and	To be complied
5.	Seng Fong / HLIB is required to make the relevant announcements pursuant to Paragraph 6.35(2)(a) & (b) and 6.35(4) of the Listing Requirements.	To be complied

- (b) our Shareholders at our forthcoming EGM; and

(c) any other relevant authorities and/or parties, if required.

The Proposed Bonus Issue is not conditional upon any other proposals undertaken or to be undertaken by our Company. For avoidance of doubt, the Private Placement and the Proposed Bonus Issue are not conditional upon each other.

**7. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM**

Save for their respective entitlements as Entitled Shareholders under the Proposed Bonus Issue, the entitlements of which are similarly available to the other existing Entitled Shareholders, none of the directors, major shareholders, chief executive and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Bonus Issue.

**8. DIRECTORS' STATEMENT AND RECOMMENDATION**

Our Board, after having considered all aspects of the Proposed Bonus Issue, including but not limited to the rationale and effects of the Proposed Bonus Issue, is of the opinion that the Proposed Bonus Issue is in the best interest of our Company.

Accordingly, our Board recommends that you **vote in favour** of the resolution pertaining to the Proposed Bonus Issue to be tabled at our forthcoming EGM.

**9. ESTIMATED TIME FRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposed Bonus Issue is expected to be completed by 2<sup>nd</sup> quarter of 2024.

The tentative timeline in relation to the Proposed Bonus Issue is as follows:

<b>Tentative timeline</b>	<b>Events</b>
6 May 2024	▪ EGM
Mid May 2024	▪ Announcement of the Entitlement Date
Early June 2024	▪ Entitlement Date ▪ Listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities and completion of the Proposed Bonus Issue

**10. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION**

Save for the Private Placement and Proposed Bonus Issue, our Board is not aware of any other corporate proposal which has been announced by our Company but pending completion as at the date of this Circular.

## **11. EGM**

The forthcoming EGM, the notice of which is enclosed in this Circular, will be held at Holiday Inn Melaka, Jalan Syed Abdul Aziz, 75000 Melaka, Malaysia on Monday, 6 May 2024 at 11.00 a.m., and if thought fit, passing the resolution to give effect to the Proposed Bonus Issue.

If you are unable to attend and vote in person at the forthcoming EGM, you are requested to complete, sign and return the enclosed Proxy Form in accordance with the instructions contained therein as soon as possible so as to arrive at the registered office of our Company at No. 2 (1<sup>st</sup> Floor), Jalan Marin, Taman Marin, Jalan Haji Abdullah, Sungai Abong, 84000 Muar, Johor. The Proxy Form may also be lodged electronically to our Company's Share Registrar via TIIH Online (<https://tiih.online>) not less than twenty-four (24) hours before the time set for the EGM. The lodging of the Proxy Form does not preclude you from attending and voting in person at the forthcoming EGM should you subsequently wish to do so.

## **12. FURTHER INFORMATION**

You are advised to refer to the attached appendix set out in this Circular for further information.

Yours faithfully,  
For and behalf of the Board of  
**SENG FONG HOLDINGS BERHAD**

**Er Hock Lai**  
Managing Director

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**FURTHER INFORMATION**

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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

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

**2. CONSENTS AND CONFLICT OF INTERESTS**

HLIB, being the Principal Adviser for the Proposed Bonus Issue, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

HLIB, its subsidiaries and associated companies as well as its penultimate holding company, namely Hong Leong Financial Group Berhad, and the subsidiaries and associated companies of Hong Leong Financial Group Berhad (collectively, the "**Hong Leong Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and funds management and credit transaction services businesses.

The Hong Leong Group has engaged, and may in the future engage, in transactions with and perform services for our Group. In addition, in the ordinary course of business, any member of the Hong Leong Group may at any time offer or provide its services to or engages in any transaction (on its own account or otherwise) with our Group, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of our Group.

The Hong Leong Group may have, in the ordinary course of its business, granted credit facilities to our Group. As at the LPD, our Group has outstanding credit facilities with the Hong Leong Group amounting to approximately RM39.2 million.

Notwithstanding the above, HLIB is of the view that the aforesaid lending relationship would not give rise to a conflict of interest situation in its capacity as the Principal Adviser for the Proposed Bonus Issue as:

- (i) HLIB is a licensed investment bank and its appointment as the Principal Adviser for the Proposed Bonus Issue and the extension of the credit facilities by the Hong Leong Group arose in its ordinary course of business;
- (ii) the conduct of the Hong Leong Group in its banking business is strictly regulated by the Financial Services Act 2013, Islamic Financial Services Act 2013 and, where applicable, the Capital Markets and Services Act 2007, as well as the Hong Leong Group's own internal controls and checks; and
- (iii) the said credit facilities which is approximately 0.1% of the audited NA of the Hong Leong Group as at 30 June 2023 of approximately RM26.8 billion, are not material.

Save as disclosed above, HLIB has confirmed that it is not aware of any other circumstance which would or is likely to give rise to a possible conflict of interest situation in HLIB's capacity as the Principal Adviser for the Proposed Bonus Issue.

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**FURTHER INFORMATION (CONT'D)**


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**3. MATERIAL COMMITMENTS**

Save as disclosed below, as at the LPD, our Board is not aware of any material commitments incurred or known to be incurred by our Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of our Group:

<b>Material Commitments</b>	<b>RM'000</b>
Contracted but not provided for:	
- Biomass system	895
- Smart rubber manufacturing equipment	4,096

**4. CONTINGENT LIABILITIES**

As at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group which, upon becoming due or enforceable, may have a material impact on the financial position or financial performance of our Group.

**5. MATERIAL LITIGATION**

As at the LPD, our Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and our Board is not aware of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which may materially and adversely affect the financial position or business of our Group.

**6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at our registered office at 2 (1st Floor), Jalan Marin, Taman Marin, Jalan Haji Abdullah, Sungai Abong, 84000 Muar, Johor during normal business hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this Circular up to and including the date of our EGM:

- (i) our Constitution of our Company;
- (ii) the audited financial statements of our Group for the past two (2) FYE 30 June 2022 and FYE 30 June 2023 as well as the latest unaudited financial statements of our Group for the 6-month financial period ended 31 December 2023; and
- (iii) The letter of consent and conflict of interest as referred to in **Section 2** of this Appendix.



**SENG FONG HOLDINGS BERHAD**  
(Registration No: 202101022910 (1423210-X))  
(Incorporated in Malaysia under the Companies Act, 2016)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Seng Fong Holdings Berhad (“**Seng Fong**” or “**Company**”) will be held at Holiday Inn Melaka, Jalan Syed Abdul Aziz, 75000 Melaka, Malaysia on Monday, 6 May 2024 at 11.00 a.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolution:-

### **ORDINARY RESOLUTION**

**PROPOSED BONUS ISSUE OF UP TO 190,285,333 NEW ORDINARY SHARES IN SENG FONG HOLDINGS BERHAD (“SENG FONG” OR “COMPANY”) (“BONUS SHARES”) ON THE BASIS OF 1 BONUS SHARE FOR EVERY 3 EXISTING ORDINARY SHARES IN SENG FONG HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“PROPOSED BONUS ISSUE”)**

“**THAT** subject to the approvals of the relevant authorities or parties having been obtained (where required), authority be and is hereby given to the Board of Directors of Seng Fong (“**Board**”) to allot and issue 190,285,333 Bonus Shares, to be credited as fully paid-up, on the basis of one (1) Bonus Share for every three (3) existing shares in Seng Fong (“**Shares**”) held by shareholders of the Company whose names appear in the record of depositors established by Bursa Malaysia Depository Sdn Bhd pursuant to the Rules of Bursa Malaysia Depository Sdn Bhd (“**Record of Depositors**”) of the Company at the close of business at 5.00 p.m. on the date to be determined and announced later by the Board.

**THAT** the Bonus Shares shall be issued as fully paid, at nil consideration and without capitalisation of the Company’s reserves;

**THAT** the fractional entitlements for the Bonus Shares arising from the Proposed Bonus Issue, if any, will be disregarded and dealt with in such manner as the Board may in its absolute discretion deem fit, expedient and in the best interest of the Company.

**THAT** the Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the existing issued Shares, save and except that the Bonus Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment and issuance of the Bonus Shares.



**AND THAT** the Board be and is hereby empowered and authorised with full power to do all acts, deeds and things and to execute and deliver on behalf of the Company all such transactions, arrangements, documents and/or agreements as the Board may deem fit, necessary or expedient or appropriate in the best interest of the Company, in order to finalise, implement and/or give effect to the Proposed Bonus Issue with full power to assent to any terms, conditions, modifications, variations, arrangements and/or amendments as may be imposed or required by the relevant authorities or deemed fit, necessary, expedient and/or desirable in the best interest of the Company by the Board.”

**BY ORDER OF THE BOARD**

**Pang Kah Man**  
**(SSM PC No. 202008000183) (MIA18831)**  
Company Secretary

Muar, Johor Darul Takzim  
5 April 2024

**Notes:**

- 1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy/proxies to attend and vote instead of him. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at this meeting.*
- 2. Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.*
- 3. The Proxy Form, in the case of an individual, shall be signed by the appointer or his attorney, and in the case of a corporation, shall be executed under its Common Seal or under the hand of its attorney of the corporation duly authorised.*
- 4. For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall request Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 29 April 2024. Only a depositor whose name appears on the Record of Depositors as at 29 April 2024 shall be entitled to attend this meeting or appoint proxies to attend and/or vote on his/her behalf.*
- 5. To be valid, the Proxy Form duly completed and signed must be deposited at the registered office of the Company at No.2 (1<sup>st</sup> Floor), Jalan Marin, Taman Marin, Jalan Haji Abdullah, Sungai Abong, 84000 Muar, Johor. The Proxy Form may also be lodged electronically to our Company's Share Registrar via TIIH Online <https://tiah.online> not less than twenty-four (24) hours before the time set for the EGM. The lodging of the Proxy Form does not preclude you from attending and voting in person at the forthcoming EGM should you subsequently wish to do so.*



**SENG FONG HOLDINGS BERHAD**  
(Registration No: 202101022910 (1423210-X))  
(Incorporated in Malaysia under the Companies Act, 2016)

**PROXY FORM**

I/We, \_\_\_\_\_ (full name in block letters)

NRIC No./Passport No./Company No. \_\_\_\_\_ of

\_\_\_\_\_ (full address)

being member of **SENG FONG HOLDINGS BERHAD** ("Company"), hereby appoint the following person(s) as my/our proxy:

Name of proxy & NRIC No. / Passport No.	Contact No.	Email address	No. of ordinary shares represented by proxy	Percentage of shareholding
1.				
2.				
<b>TOTAL</b>				<b>100%</b>

or failing him, the Chairman of the Meeting as my/our proxy to vote on my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at Holiday Inn Melaka, Jalan Syed Abdul Aziz, 75000 Melaka, Malaysia on Monday, 6 May 2024 at 11.00 a.m., and at any adjournment thereof, and to vote as indicated below: -

No.	Ordinary Resolution	For	Against
1.	Proposed Bonus Issue		

Please indicate with [ ✓ ] on how you wish your votes to be cast. (Unless otherwise instructed, the proxy may vote as he/she thinks fit). If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

CDS Account No.	
Number of Shares held	

Dated this ..... day of ..... 2024

.....  
Signature of Shareholder(s) or Common Seal

**Notes:**

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy/proxies to attend and vote instead of him. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at this meeting.



2. Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
3. The Proxy Form, in the case of an individual, shall be signed by the appointer or his attorney, and in the case of a corporation, shall be executed under its Common Seal or under the hand of its attorney of the corporation duly authorised.
4. For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall request Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 29 April 2024. Only a depositor whose name appears on the Record of Depositors as at 29 April 2024 shall be entitled to attend this meeting or appoint proxies to attend and/or vote on his/her behalf.
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AFFIX  
STAMP

The Registered Office of

**Seng Fong Holdings Berhad**

[Registration No.: 202101022910 (1423210-X)]

No.2 (1<sup>st</sup> Floor), Jalan Marin, Taman Marin

Jalan Haji Abdullah, Sungai Abong

80400 Muar, Johor

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Fold This Flap For Sealing

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