

**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 perused this Circular to Shareholders in relation to the Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature on a limited review basis pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities, prior to the issuance of this Circular.

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**JADE MARVEL**

GROUP BHD

**JADE MARVEL GROUP BERHAD**

(Registration No. 200201024617 (592280-W))

(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO**

**PART A**

**PROPOSED DIVERSIFICATION OF JADE MARVEL GROUP BERHAD AND ITS SUBSIDIARIES' EXISTING BUSINESSES TO INCLUDE MINING, SALE AND TRADING OF IRON ORE, DOLOMITE, SAND AND OTHER MINERALS**

**PART B**

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

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*



**MERCURY SECURITIES SDN BHD**

(Registration No. 198401000672 (113193-W))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting ("**EGM**") of Jade Marvel Group Berhad ("**JMGB**"), Administrative Guide and Form of Proxy are enclosed in this Circular. The EGM will be conducted on a fully virtual basis through live streaming and online remote participation via the Remote Participation and Voting ("**RPV**") facilities hosted on the VirtualeAGM e-portal at [www.vpoll.com.my](http://www.vpoll.com.my) (Domain registration No: D1A457149) provided by AI Smartual Learning Sdn Bhd in Malaysia on Wednesday, 7 September 2022, at 11.00 a.m., or immediately after the conclusion or adjournment (as the case maybe) of the Twentieth Annual General Meeting of the Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is the later.

If you decide to appoint a proxy or proxies for the EGM, you must complete and deposit the Form of Proxy for the EGM at the Registered Office of the Company at 39 Irving Road, 10400 George Town, Pulau Pinang, Malaysia not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Please refer to the Administrative Guide of the EGM enclosed in this Circular. The lodging of the Form of Proxy for the EGM will not preclude you from attending and voting in person at the meeting should you subsequently decide to do so.

Last day, date and time for lodging the Form of Proxy : Monday, 5 September 2022 at 11.00 a.m.

Day, date and time of the EGM : Wednesday, 7 September 2022 at 11.00 a.m., or immediately after the conclusion or adjournment (as the case maybe) of the Twentieth Annual General Meeting of the Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is the later.

This Circular is dated 22 August 2022

## DEFINITIONS

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

<b>Act</b>	:	The Companies Act 2016, as may be amended from time to time and any re-enactment thereof
<b>Addendum 1</b>	:	An addendum dated 17 March 2022 made between JTSB and RXAM to supplement the S&P Contract
<b>Addendum 2</b>	:	An addendum dated 22 June 2022 made between JTSB and RXAM to supplement the S&P Contract
<b>AGM</b>	:	Annual General Meeting
<b>Board</b>	:	Board of Directors of JMGB
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
<b>CAGR</b>	:	Compound annual growth rate
<b>Circular</b>	:	This circular to the shareholders of our Company dated 22 August 2022 in relation to the Proposed Diversification and Proposed Shareholders' Mandate
<b>Collaboration Agreement</b>	:	A collaboration agreement (for purchase and sale of iron ore) dated 18 July 2022 entered between JTSB and MPTT to establish a strategic business alliance and collaboration for the sales of the iron ore lumps with iron (Fe) content between 50% to 68% to the Customer
<b>Contract Period</b>		12-month contractual period for the sale and purchase contract dated 26 February 2022 entered between JTSB and RXAM commencing from 26 February 2022
<b>Constitution</b>	:	Constitution of our Company
<b>COVID-19</b>	:	Coronavirus disease 2019
<b>Customer</b>		Customers of JTSB (including RXAM) and such other customers proposed by MPTT and accepted by JTSB under the Collaboration Agreement
<b>Dato' Loh</b>	:	Dato' Loh Hock Sun
<b>Directors</b>	:	Has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon:-  (a) a Director of the Company, its subsidiary or holding company; or (b) a Chief Executive Officer of the Company, its subsidiary or holding company.
<b>Distribution Agreement</b>	:	Sale and distribution agreement dated 30 June 2022 entered between MDSB and RDMSB, whereby MDSB is appointed by RDMSB as its sole and exclusive distributor for the distribution and sale of dolomite and other minerals extracted from Felda Rimba Mas Site where RDMSB has been granted the right to undertake dolomite mining operations
<b>DMT</b>	:	Dry metric ton

## DEFINITIONS (Cont'd)

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<b>EGM</b>	:	Extraordinary general meeting of our Company
<b>Existing Business Activities</b>	:	Collectively, our Group's 4 main business segments namely, the investment holdings segment, which consist of investment holdings of companies as well as investment holding of properties including letting of properties, the manufacturing segment, which consist the manufacturing and trading of bituminous premix, tarmac, emulsion and operation of quarry, the property development segment and the financing segment, which consists of money lending services and provision of management services
<b>Felda Rimba Mas Site</b>	:	Lot 5202 in Felda Rimba Mas Padang Besar (U) Perlis, Mukim Titi Tinggi, Perlis
<b>FHMSB</b>	:	Finbond Heavy Machinery Sdn. Bhd. (Registration No. 199301026847 (281585-P))
<b>FISB</b>	:	Finbond Industries Sdn. Bhd. (Registration No. 198201013463 (93212-D))
<b>FYE</b>	:	Financial year ended/ ending
<b>Geology Report</b>	:	A further research study on the mineral deposits
<b>IMR Report</b>	:	The independent market research report titled "Outlook of the Mining, Dolomite Mining, Sand Mining and Iron Ore Mining Industries in Malaysia" prepared by PROVIDENCE dated 14 July 2022
<b>Initial Mapping Area</b>	:	An area measuring approximately 19.0 hectares forming part of the Kuala Krai Land
<b>JFHMSB</b>	:	Jadem Finbond Heavy Machinery Sdn. Bhd. (Registration No. 202201006835 (1452532-W))
<b>JLMSB</b>	:	JL Mining Sdn. Bhd. (Registration No. 202201011657 (1457354-H))
<b>JGSSB</b>	:	Jadem Geomining Services Sdn Bhd (Registration No. 202201006163 (1451860-P))
<b>JMGB or Company</b>	:	Jade Marvel Group Berhad (Registration No.: 200201024617 (592280-W))
<b>JMGB Group or Group</b>	:	Collectively, our Company and subsidiaries
<b>JMGB Share(s) or Share(s)</b>	:	Ordinary share(s) in our Company
<b>JMTG</b>	:	Jadem MTG Sdn. Bhd. (Registration No. 202201006146 (1451843-P))
<b>JTSB</b>	:	Jadem Trading Sdn Bhd (Registration No. 202101028088 (1428388-X))
<b>Kuala Krai Land</b>	:	Lot No. 23112 located at Sungai Taku, Mukim Kuala Nal, Daerah Batu Mengkebang, Jajahan Kuala Krai, Kelantan Darul Naim measuring approximately 189.9 hectares
<b>Listing Requirements</b>	:	Main Market Listing Requirements of Bursa Securities
<b>LPD</b>	:	8 August 2022, being the latest practicable date prior to the date of this Circular

## DEFINITIONS *(Cont'd)*

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<b>Major Shareholder(s)</b>	:	A person who has an interest or interests in one (1) or more voting shares in the Company or any other corporation which is its subsidiary or holding company and the number or aggregate number of the shares, is:  (a) 10% or more of the total number of voting shares in the Company or any other corporation which is its subsidiary or holding company; or  (b) 5% or more of the total number of voting shares in the Company or any other corporation which is its subsidiary or holding company where such person is the largest shareholder of the Company or any other corporation which is its subsidiary or holding company (as the case may be).  For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in section 8 of the Act. A major shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company, its subsidiaries or holding company.
<b>MDSB</b>	:	Mutiara Dolomite Sdn Bhd (Registration No. 202201010341 (1456038-P))
<b>Mercury Securities or Principal Adviser</b>	:	Mercury Securities Sdn Bhd (Registration No. 198401000672 (113193-W))
<b>Mining Agreement</b>	:	Mining agreement dated 15 March 2022 entered between JT SB and SMRSB, the holder and proprietor of the Mining Lease, whereby SMRSB has granted to JT SB and accepted by JT SB, the sole and exclusive license to enter and occupy the Kuala Krai Land along with the sole and exclusive right to carry out the Mining Operations
<b>Mining Lease</b>	:	Mining lease (Pajakan Melombong) No. ML 9/2016 in respect of the Kuala Krai Land.
<b>Mining Operations</b>	:	Works of prospecting, mining, excavating, mineral processing, removal and sale of the iron ore and/or other minerals on the Kuala Krai Land
<b>MPTT</b>	:	MassPro Trading (Thailand) Co., Ltd. (Registration No. 0105544025231)
<b>Mr. Colin</b>	:	Mr. Colin Pang Toh Chin
<b>Mr. Chua</b>	:	Mr. Chua Kian Leong
<b>Mr. Low</b>	:	Mr. Low Keng Lok
<b>MT</b>	:	Metric ton
<b>MTGT</b>	:	MTG Timur Sdn. Bhd. (Registration No: 201601002393 (1173319-T))
<b>MTGH</b>	:	MTG Holding Sdn. Bhd. (Registration No: 201601000102 (1171027-V))
<b>NA</b>	:	Net assets

## DEFINITIONS (Cont'd)

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- New Business** : Mining, sale and trading of iron ores, dolomites, sand and other minerals
- Notice** : The notice convening the EGM as enclosed in this Circular
- percentage ratio** : Has the meaning given in Paragraph 10.02(g) of the Listing Requirements
- Person Connected** : In relation to any person (referred to as "said Person") means such person who falls under any one of the following categories:
- (a) a family member of the said Person;
  - (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;
  - (c) a partner of the said Person;
  - (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
  - (e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
  - (f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
  - (g) a body corporate which is a related corporation of the said Person.
- Proposed Diversification** : Proposed diversification of our Group's existing businesses to include the New Business
- Proposed Shareholders' Mandate Period** **New** : The period during which the RRPT are to be entered into for which the proposed new shareholders' mandate is being sought. This period shall commence immediately upon passing of the Ordinary Resolution relating thereto during forthcoming EGM or any adjournment thereof until: -
- (a) the conclusion of the next AGM of the Company following the forthcoming EGM, at which the ordinary resolution for the Proposed Shareholders' Mandate is passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
  - (b) the expiration of the period within which the next AGM of the Company after that date it is required by law 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 an ordinary resolution passed by the shareholders of JMGB in a general meeting;
- whichever is earlier.

## DEFINITIONS (Cont'd)

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<b>Proposed Shareholders' Mandate</b>	<b>New</b>	:	Proposed new shareholders' mandate for the RRPT, as set out in Section 2.4 of Part B of this Circular to be obtained from shareholders of the Company
<b>PROVIDENCE</b>		:	Providence Strategic Partners Sdn Bhd (Registration No. 201701024744 (1238910-A))
<b>PTG Kelantan</b>		:	Pejabat Tanah dan Galian of Kelantan
<b>RDMSB</b>		:	RD Minerals Sdn. Bhd. (Registration No. 200901027729 (870831-A))
<b>Recurrent Related Party Transactions or RRPT</b>		:	Transactions entered into or proposed to be entered into by the Company and/or its subsidiary which involve the interest, direct or indirect, of a Related Party and which are recurrent, of a revenue or trading nature and which are necessary for day-to-day operations of JMGB and are in the ordinary course of business of JMGB
<b>Related Party</b>		:	A Director(s), Major Shareholder(s) or Person(s) Connected with such Director(s) or Major Shareholder(s)
<b>Related Transaction</b>	<b>Party</b>	:	A transaction entered into by the JMGB Group which involves the interest, director indirect, of a Related Party
<b>Remaining Kuala Krai Land</b>		:	Approximately 170.9 hectares forming the remaining of the Kuala Krai Land adjacent to the Initial Mapping Area
<b>RXAM</b>		:	Rizhao Xinlanshan Asset Management Co., Ltd (Registration No. 371103000000402 )
<b>S&amp;P Contract</b>		:	Sale and purchase contract dated 26 February 2022 entered between JTSB and RXAM, JTSB to supply a total of 600,000 DMT of iron ore lumps to RXAM for the Contract Period
<b>SMRSB</b>		:	Silver Matrix Resources Sdn Bhd (Registration No.: 200701018782 (776793-T))

## CURRENCY

**RM and sen** : Ringgit Malaysia and sen

**USD** : United States Dollar

All references to “**we**”, “**us**”, “**our**” and “**ourselves**” in this Circular, if any, shall mean our Company or where the context requires, our Group.

References to “**you**” or “**your**” are to the shareholders of our Company, unless the context otherwise requires.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any statutes, rules, regulations, enactments or rules of the stock exchange is a reference to such statutes, rules, regulations, enactments or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time of day and date in this Circular shall be a reference to Malaysian time of day and date, unless otherwise stated.

Any discrepancy in the figures included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

## **DEFINITIONS** (Cont'd)

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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 inquiry, 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 Group's plans and objectives will be achieved.

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PART A

LETTER TO THE SHAREHOLDERS OF OUR  
COMPANY IN RELATION TO THE PROPOSED  
DIVERSIFICATION

## EXECUTIVE SUMMARY

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**THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSED DIVERSIFICATION. YOU ARE ADVISED TO READ THIS CIRCULAR IN ITS ENTIRETY FOR FURTHER DETAILS AND NOT TO SOLELY RELY ON THIS EXECUTIVE SUMMARY IN FORMING A DECISION ON THE PROPOSED DIVERSIFICATION BEFORE VOTING AT THE FORTHCOMING EGM**

<b>Key information</b>	<b>Description</b>	<b>Reference to Circular</b>
<b>Summary of the Proposed Diversification</b>	: Our Company had been exploring new business opportunities to provide additional source of income to our Group. The entry into the S&P Contract, Mining Agreement, Distribution Agreement and Collaboration Agreement provides our Group an opportunity to pursue the New Business.	<b>Section 2 of Part A</b>
<b>Rationale and justification for the Proposed Diversification</b>	: The Proposed Diversification allows our Group to expand our revenue stream by diversifying into the New Business as to enhance shareholders' value in the long term.	<b>Section 3 of Part A</b>
<b>Risk factors</b>	: The risk relating to the Proposed Diversification include, but not limited to the following:  (i) dependency on key personnel;  (ii) not undertaking the Mining Operations;  (iii) future financing requirements;  (iv) fluctuation in prices of mineral resources;  (v) depletion of mineral resources;  (vi) competition risk;  (vii) licenses, permits, approvals and regulatory requirements;  (viii) political, economic and regulatory risk; and  (ix) limited resources or challenges in optimising our available resources to ensure the sustainability and success of our Group's business segments	<b>Section 5 of Part A</b>
<b>Approvals required</b>	: The Proposed Diversification is subject to the following approvals being obtained:  (i) the shareholders of our Company for the Proposed Diversification at the EGM to be convened; and  (ii) any other relevant authorities and/or parties, if required.	<b>Section 7 of Part A</b>

**Conditionality of the Proposed Diversification** : The Proposed Diversification is not conditional upon any other corporate exercise/scheme undertaken or to be undertaken by our Company. **Section 8 of Part A**

**Interests of Directors, major shareholders, chief executive and/or persons connected** : None of the Directors, major shareholders and/or chief executive of our Company and/or persons connected with them has any direct or indirect interest in the Proposed Diversification. **Section 10 of Part A**

**Directors' recommendation** : Our Board, after having considered all aspects of the Proposed Diversification, including but not limited to the rationale, prospects and risks associated with the Proposed Diversification, is of the opinion that the Proposed Diversification is in the best interest of our Company and the shareholders of our Company. **Section 11 of Part A**

Accordingly, our Board recommends that you vote in favour of the resolutions pertaining to the Proposed Diversification to be tabled at the forthcoming EGM.

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**JADE MARVEL**  
GROUP BHD  
**JADE MARVEL GROUP BERHAD**  
(Registration No. 200201024617 (592280-W))  
(Incorporated in Malaysia)

**Registered Office**  
39 Irving Road  
10400 George Town  
Pulau Pinang, Malaysia

22 August 2022

**Board of Directors**

Hj. Abdul Shukor Bin P A Hj. Mohd Sultan (*Chairman/ Independent Non-Executive Director*)  
Chong Wei Liang (*Deputy Chairman/ Executive Director*)  
Dennis Chung Vui Ming (*Joint Managing Director*)  
Dato' Khoo Yik Chou (*Joint Managing Director*)  
Tan Yen Yeow (*Independent Non-Executive Director*)  
Calvin Lau (*Independent Non-Executive Director*)  
Loh Seong Yew (*Non-Independent Non-Executive Director*)

**To: The shareholders of our Company**

Dear Sir/ Madam,

**PROPOSED DIVERSIFICATION**

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**1. INTRODUCTION**

On 19 July 2022, Mercury Securities had, on behalf of our Board, announced that our Company proposes to undertake the Proposed Diversification.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED DIVERSIFICATION AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED DIVERSIFICATION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED DIVERSIFICATION TO BE TABLED AT THE FORTHCOMING EGM.**

**2. DETAILS OF THE PROPOSED DIVERSIFICATION**

As at the LPD, our Group is principally involved in 4 main business segments namely, the investment holdings segment, which consists of investment holdings of companies as well as investment holding of properties including letting of properties, the manufacturing segment, which consists the manufacturing and trading of bituminous premix, tarmac, emulsion and operation of quarry, the property development segment and the financing segment, which consists of money lending services and provision of management services.

A summary of the financial performance of our Group's Existing Business Activities for the FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FYE 31 March 2022 is as follows:

	<b>Audited</b>			
	<b>FYE 31 March</b>			
	<b>2019 (RM)</b>	<b>2020 (RM)</b>	<b>2021 (RM)</b>	<b>2022 (RM)</b>
Segmental revenue				
- Investment holdings	392,952	392,052	359,334	369,546
- Manufacturing	14,862,377	11,555,306	7,782,845	7,650,090
- Property development	717,000	1,405,000	14,780,000	9,061,709
- Financing*	-	-	-	688,496
- Construction	-	-	-	4,549,212
- Healthcare & others**	-	-	-	7,889,238
Total revenue	15,972,329	13,352,358	22,922,179	30,208,291
Profit/(Loss) after tax	(1,077,174)	(7,133,995)	4,007,253	7,651,524

**Notes:**

\* *The approval from the shareholders of our Company for the diversification into money lending business was obtained at our EGM held on 21 April 2022. Therefore, no revenue was generated from the financing segment for the FYE 31 March 2019, FYE 31 March 2020 and FYE 31 March 2021.*

\*\* *Healthcare & others segment consist of the healthcare services, mining and the trading of frozen food business.*

For the past 4 financial years, the revenue of our manufacturing segment has been declining mainly due to the interruption of business operation as a result of the COVID-19 outbreak while the revenue of our property development segment has been increasing from FYE 31 March 2019 to FYE 31 March 2021 due to the recognition of the revenue for our joint venture project in Simpang Ampat and the decline in the FYE 31 March 2022 was due to lower recognition of the revenue for our joint venture project in Simpang Ampat. In the FYE 31 March 2022, our Group has new recurring revenue generated from (i) the construction segment amounting to RM4.55 million mainly contributed by the trading of building materials; and (ii) the healthcare & others segment amounting to RM7.89 million mainly contributed by a one-off sales transaction of healthcare product amounting to RM7.42 million in the FYE 31 March 2022.

Please refer to Appendix I of this Circular for further information on our Group's historical financial information.

In pursuing the New Business to provide additional source of income to our Group, our Group had entered into the following contracts and agreements:

- (i) on 26 February 2022, JTSB, a 51%-owned subsidiary of our Company, had entered into the S&P Contract with RXAM. JTSB and RXAM subsequently supplemented the S&P Contract and signed Addendum 1 and Addendum 2. The S&P Contract is subject to the terms and conditions set forth in the S&P Contract, Addendum 1 and Addendum 2;
- (ii) on 15 March 2022, JTSB had entered into the Mining Agreement with SMRSB, subject to the terms and conditions set forth in the Mining Agreement;
- (iii) on 30 June 2022, MDSB, a 51%-owned subsidiary of JTSB, had entered into the Distribution Agreement with RDMSB, subject to the terms and conditions set forth in the Distribution Agreement; and
- (iv) on 18 July 2022, JTSB had entered into the Collaboration Agreement with MPTT, subject to the terms and conditions set forth in the Collaboration Agreement.

Please refer to Appendix II of this Circular for further details on the S&P Contract, Addendum 1, Addendum 2, Mining Agreement, Distribution Agreement and Collaboration Agreement.

For the avoidance of doubt, our Group is not a Mineral or Oil & Gas (“MOG”) Listed Issuer as our Group does not fulfil any one of the criteria to be considered as a MOG Listed Issuer pursuant to Practice Note 32 of the Listing Requirements (“PN32”) (“MOG Listed Issuer Criteria”). In the event where our Group does fulfil any one of the MOG Listed Issuer Criteria, our Group will ensure compliance with the Listing Requirements in respect of MOG Listed Issuer which include, amongst others, PN32.

Our Board intends to further expand our Group’s revenue streams through the New Business by seeking for new viable mining contracts/leases and exploring joint venture or co-operation opportunities with business partners to undertake mining and mining-related activities as well as exploring the sale and trading of other minerals moving forward. In this respect, our Board anticipates that our New Business will potentially contribute 25% or more of our Group’s net profit and/or result in a diversion of 25% or more of our Group’s NA which will necessitate the prior approval of our Company’s shareholders in order for our Company to comply with Paragraph 10.13 of the Listing Requirement.

## **2.1 Details of New Business operations**

Based on the S&P Contract and S&P Contract’s Addendum, JTSB shall supply a total of 600,000 DMT of iron ore lumps to RXAM over the Contract Period (ending on 25 February 2023) with provisional price of USD110.00 per DMT\*. The first trial shipment of approximately 20,000 DMT (+/- 10%) of iron ore lumps was shipped from Thailand (via MPTT as mutually agreed by RXAM and JTSB) on 4 July 2022. As at the LPD, RXAM and JTSB are in the midst of discussion on the shipping schedule and quantity for the second shipment of iron ore lumps to China.

Our Group has been sourcing the iron ore lumps from suppliers, operators and owners of iron ore mines within and outside of Malaysia to meet the supply requirement to RXAM under the S&P Contract as set out above. Following the business relationship formed with MPTT for the first trial shipment, a strategic alliance was established with MPTT to secure a source of iron ore lumps supply to RXAM. The entry into the Collaboration Agreement with MPTT also provides our Group an opportunity to leverage on MPTT’s expertise, experience and resources in areas such as iron ore mining, processing (upgrading the quality of iron ore), warehousing and logistics. Our Group will procure the supply of iron ores internally from the Mining Operations upon its commencement provided that the Kuala Krai Land can yield iron ore with the grade and specifications required by RXAM.

JTSB is given the sole and exclusive right to undertake the Mining Operations on the Kuala Krai Land pursuant to the Mining Agreement measuring approximately 189.9 hectares. Mr. Low, who is a geologist and also the Managing Director of JGSSB, a 51%-owned subsidiary of JTSB, has led the geology team to conduct numerous “geological mapping” (which is a preliminary work process to determine the iron mineralisation without conducting a lab analysis) on the Initial Mapping Area. Based on the geological mapping to date, the Initial Mapping Area has low mineralisation and does not meet the minimum required grade by RXAM. Hence it is not feasible to undertake any further exploration work in the Initial Mapping Area. As at the LPD, Mr Low and the geology team will continue to conduct further geological mapping to the Remaining Kuala Krai Land to discover the land areas with high mineralisation and high grade iron ores. Barring any unforeseen circumstances, JTSB expects the geological mapping on the Remaining Kuala Krai Land to be completed by 3<sup>rd</sup> quarter of 2023. JTSB will conduct a Geology Report and feasibility study on the Kuala Krai Land prior to the commencement of the Mining Operations subject to the successful discovery of high mineralisation and high grade iron ores in the Remaining Kuala Krai Land. Barring any unforeseen circumstances, JTSB expects the Geology Report and feasibility study to be completed by 4<sup>th</sup> quarter of 2023 and the Mining Operations to commence by 2<sup>nd</sup> quarter of 2024 and to be income generating in the FYE 31 March 2025. For shareholders’ information, pursuant to the terms as stated in the Mining Agreement, JTSB shall at its own cost procure the Geology Report as well as the feasibility study on the Kuala Krai Land as JTSB is the mine operator for the Mining Operations on the Kuala Krai Land and the Geology Report as well as the feasibility study will be done in-house via JGSSB.

Based on the Distribution Agreement, for so long as RDMSB is carrying out dolomite extraction operations on the Felda Rimba Mas Site, RDMSB shall sell dolomites and other minerals extracted from the Felda Rimba Mas Site exclusively to MDSB at any time based on purchase orders to be issued by MDSB to RDMSB. As at the LPD, MDSB has procured and distributed a total of approximately 20,000 MT of dolomite.

Notwithstanding the Mining Operations has yet to commence, the New Business has already commenced through the S&P Contract, Collaboration Contract and Distribution Contract. The New Business is expected to contribute to our Group's revenue and profit for the FYE 30 March 2023.

Pursuant to the Collaboration Agreement, MPTT will ship the iron ore lumps directly from Thailand port to the Customer's designated discharge ports hence MPTT and the Customers will need to obtain all the necessary approval and/ or permit in accordance with their respective jurisdictions to implement the export and import of the iron ore lumps, respectively. Further, pursuant to the Distribution Agreement, MDSB will purely procure and distribute the dolomites and RDMSB is responsible to obtain all the necessary licenses, approvals and/or permits to carry out dolomite extraction operations on the Felda Rimba Mas Site.

For shareholders' information, our Group will be required to procure the following necessary licenses, approvals and/or permits from the relevant authorities for the commencement of the Mining Operations and export of iron ore lumps to China (in the event where JTSB were to export iron ore lumps to RXAM from Malaysia) are as follows:

New Business operations	Local authorities / Regulatory bodies	Licenses, permits and approvals	Expected date of application	Expected date of approval	Expiry Date
Mining Operations	Pejabat Tanah and Galian	Mining Lease <sup>(1)</sup>	N/A	N/A	4 April 2027
	Department of Environment Malaysia (DOE)	Environment Impact Assessment (EIA) Report Approval <sup>(2)</sup>	4 <sup>th</sup> quarter of 2023	1 <sup>st</sup> quarter of 2024	N/A
	Jabatan Mineral dan Geosains Malaysia	Operational Mining Scheme ("OMS") Approval <sup>(2)</sup>	1 <sup>st</sup> quarter of 2024	2 <sup>nd</sup> quarter of 2024	N/A
Export of iron ore lumps to RXAM from Malaysia	Ministry of Energy and Natural Resources Malaysia	Export License <sup>(2)</sup>	Upon identifying the source of iron ore lumps within Malaysia that meet the grade, quality, specifications and quantity by RXAM	Approximately 2 months from the date of application	N/A

**Notes:**

\* The provisional price is agreed by JTSB and RXAM as provided in the S&P Contract and Addendum 1. The actual price to be invoiced for each shipment will be based on the 7-day period average (i.e. 3 days before and 3 days after shipment arrives at the port of discharge) of the daily published S&P Global Platts (which is the leading independent provider of information and benchmark prices for the commodities and energy markets) price index for iron ore (62% Fe CFR North China) less USD20 per MT which is mutually agreed by JTSB and RXAM to the S&P Contract for operational costs).

N/A Not applicable.

- (1) Pursuant to the Mining Agreement, SMRSB, being the holder and proprietor of the Mining Lease, shall be responsible for the renewal of the Mining Lease in favour of JTSB at its own cost.
- (2) Pursuant to the Mining Agreement, SMRSB shall at its own costs to apply and obtain for the benefit and/or behalf of JTSB all OMS, Mineral License(s) and such other licenses, permits, permissions, authorisations, approvals necessary for the mining operations of the iron ore from the relevant State and/or Federal authorities.
- (3) Upon identifying the local iron ore lumps suppliers ("**Local Suppliers**"), either JTSB or the Local Suppliers shall be responsible to procure the export license depending upon the business arrangement between JTSB and the Local Suppliers.

## 2.2 Source of funding for our New Business

Our Company intends to fund the New Business through its internally-generated funds. Our Company intends to commence the Mining Operations upon successful discovery of high mineralisation and high grade iron ore in the Remaining Kuala Krai Land subject to satisfactory Geology Report and feasibility study and hence, save for the cost to procure the Geology Report and feasibility study, no additional capital outlay is required at this juncture.

JTSB estimated the required initial starting-up costs for the Mining Operations are RM6.00 million and the basis and justification of arriving at the estimated costs are as follows:

- (i) RM1.00 million utilised for refundable Deposit 1 (as defined in Section 3.12 of Appendix II of this Circular);
- (ii) RM1.00 million payable for Deposit 2 (as defined in Section 3.12 of Appendix II of this Circular) upon satisfactory Geology Report;
- (iii) RM0.50 million for the costs in relation to the procurement of the Geology Report and feasibility study; and
- (iv) RM3.50 million for the start-up capital for relevant equipment and heavy machinery leasing costs (which will require lower capital outlay as compared to purchasing the equipment and heavy machinery), and the other operational and administrative expenses for the Mining Operations.

As detailed above, the initial starting-up costs for the Mining Operations will be funded through our internally-generated funds. In the event of any shortfall from our Group's internally-generated funds, our Group intends to fund the shortfall by utilising bank borrowings and/or capital fund raising, of which the exact quantum will be determined by our Board at a later stage depending on the gearing, cost of funding and funding requirements of our Group at the relevant point in time.

For shareholders' information, our Group's cash and bank balances stood at approximately RM11.71 million based on the latest audited financial statements of JMGB for the FYE 31 March 2022.

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## 2.3 Key management personnel

Our Group has identified the following key management personnel to lead our Group's diversification into the New Business segment and their profiles are as follows:

(a) Mr. Chua, Malaysian, age 46

Mr. Chua is the Managing Director of JTSB. He was appointed on 28 December 2021 as the Director of JTSB and subsequently redesignated to Managing Director on 13 July 2022. He is responsible for managing the overall business and daily operations of JTSB. He will be directly involved in the operation activities of JTSB's New Business and identification of the potential future opportunities in the New Business.

In 2007, Mr. Chua founded Kaki-Kaki Reflexology & Beauty Centre ("**KRBC**") and was appointed as the Managing Director of KRBC. In 2012, he cofounded Kaki-Kaki Group (M) Sdn Bhd ("**KKGSB**") and was appointed as the Managing Director of KKGSB. He was responsible for managing the overall business and daily operations of both KRBC and KKGSB. Although Mr. Chua currently is still the Managing Director of KRBC and KKGSB, this does not affect his contribution to JTSB as KRBC and KKGSB have since ceased operations due to the adverse effects of the Covid-19 outbreak.

Mr. Chua has approximately 4 years of experience in the sand industry and sales of river sands and other minerals. In 2018, he joined Navis Marinus Pte Ltd ("**Navis**") as a Commercial Director where he was responsible for handling the sales of river sand and other minerals such as gold, bauxite, tin as well as manganese, and was also involved in river and sand de clotting, desilting and channel deepening projects. During his tenure with Navis, he was also involved in the sand supply chain management and sand reclamation as well as assisting in project planning and management. He left Navis in 2020 and was subsequently appointed as the Director of JTSB on 28 December 2021. He is expected to lead our Group's New Business by providing his experience in the sales of river sand and other minerals moving forward.

(b) Mr. Low, Malaysian, age 67

Mr. Low is the Managing Director of JGSSB. He was appointed as the Director of JGSSB on 21 February 2022 and subsequently redesignated to Managing Director on 13 July 2022. He is responsible for managing the overall business and daily operations of JGSSB, including planning and monitoring site exploration works. He is involved in the mining site exploration works, rendering his expertise and technical knowledge as a geologist for JMGB Group's New Business.

Mr. Low is a member of the Institute Geology Malaysia, a life member of Geological Society of Malaysia and is a registered Professional Geologist with the Board of Geologists Malaysia.

Mr. Low graduated with a Bachelor's Degree in Geology from the University of Malaya, Malaysia in 1979. He started his career as a geologist with Malaysia Mining Corporation Berhad (now known as MMC Corporation Berhad) ("**MMC**") in 1981, where he was involved in tin, base metals, gold, platinum and gemstone projects locally as well as overseas. In 1993, he left MMC and was involved in the granite and marble industry with various companies until 2008. During this time span in the granite and marble industry, he assumed various positions such as Project Director, General Manager, Operations Director and Executive Director and was also involved in stone blocks quarry operation and construction of a stone block processing factory.

Mr. Low has over 10 years of experience in the mining industry as a geologist. Since 2009, he was involved in the mining industry as a consultant geologist with various companies, particularly Aras Kuasa Sdn Bhd. He had also assisted Fortress Mining Sdn Bhd in the listing exercise of its holding company, Fortress Minerals Ltd, on the Catalyst Board of the Singapore Stock Exchange as a chief geologist. On 21 February 2022, Mr. Low cofounded

JGSSB with JTSB and appointed as the Director of JGSSB. He is expected to lead our Group's New Business by providing his expertise and technical knowledge in the mining site exploration works moving forward.

(c) Mr. Colin, Malaysian, age 48

Mr. Colin is the General Manager of JTSB. He joined JTSB on 1 February 2022 is responsible for the daily operations of JTSB, including general management of project and operation works.

Mr. Colin is a council member of National Ready Mixed Concrete Association of Malaysia. He completed RQF Level 2 of ACCA Diploma in Financial and Management Accounting at Systematic College (now known as SEGi University and Colleges) in 1996. He started his career with Yeo, Lim & Co accounting firm as an Audit Assistant in 1995. In 1996, He left Yeo, Lim & Co accounting firm and joined Ekovest Berhad as an Accounts Executive and was involved in various projects such as Shapadu Expressway, Kajang Perdana, Danga Bay, Muar Sultanah Fatimah Hospital and Jasin Technical School. In 2002, he left Ekovest Berhad and joined Kenneison Brothers Construction Sdn Bhd ("**Kenneison**") as a Project Accounts Executive for Double Track Project in Sungkai. He subsequently left Kenneison in 2003 and joined Fragrant Garden Landscaping Sdn Bhd ("**FGLSB**") as a Project Manager where he was responsible to overseeing the operation for Putrajaya's landscaping works. In 2006, he left FGLSB to pursue his career oversea with IJM Concrete Pakistan Pvt Limited ("**IJM Concrete**") as Finance Manager and subsequently promoted to Country Manager in 2008 where he was responsible to oversee the business and management as well as expansion plans in the region. Thereafter, he left IJM Concrete in 2016 and joined a subsidiary of Cement Industries of Malaysia Berhad namely, Unipati Concrete Sdn Bhd ("**Unipati**") as a General Manager which he was responsible for overseeing and managing the supplies of the ready mixed products for various projects. Further, he left Unipati in 2019 and joined Chin Hin Concrete Holdings Sdn Bhd (a subsidiary of Chin Hin Group Berhad) as CEO where he was responsible to oversee the operation of logistics and supply of building materials. He left Chin Hin Concrete Holdings Sdn Bhd in 2019 to join WK & Partners Consult Sdn Bhd ("**WK**") as a Senior Business Development Manager and was responsible for providing business and operation consultations. In 2022, he left WK and subsequently joined JTSB as a General Manager.

Mr. Colin has over 15 years of experience in construction and building materials industries involving in project management and his experience is expected to enhance our Group's New Business operation moving forward.

(d) Dato' Loh, Malaysian, age 66

Dato' Loh is the Director of MDSB. He was appointed on 21 March 2022 as the Director of MDSB and is responsible for the planning of MDSB's business direction and development, managing the daily operations, sales and marketing and business activities of MDSB.

He first started his career with Goh Beng Cheng Construction Sdn Bhd ("**GBCC**") in 1976 as a construction site supervisor where he was responsible for overseeing the progress of construction activities and ensuring all on-site workers adhere to the health and safety regulations. In 1980, he left GBCC and founded Loh Hock Sun Construction Sdn Bhd which has ceased operation since 1985. He was subsequently involved in the property development and was appointed as the Managing Director for Cosmovest Construction Sdn Bhd, Cosmovest Development Sdn Bhd, Nagasari Gagah Sdn Bhd and Tasjaya Properties Sdn Bhd where he was responsible for the development and execution of business direction of the said companies.

Dato' Loh has over 10 years of experience in the mining industry involving in the extraction of granite. In 2009, he was appointed as the Managing Director for Sun Quarry Sdn Bhd ("**Sun Quarry**") which is primarily involved in the quarry operations where he was responsible for overseeing the daily operations and planning business direction of Sun Quarry. Dato' Loh continues to hold the Managing Director positions in Nagasari Gagah

Sdn Bhd, Tasjaya Properties Sdn Bhd and Sun Quarry presently. On 21 March 2022, Dato' Loh together with Joe Lee Wang Joo, Loh Kim Yin and Lee Pak Chong cofounded MDSB, in which JTSA acquired 51% equity interest on 27 April 2022. He is expected to lead our Group's New Business by providing his experience in minerals extraction moving forward.

For shareholders' information, Sun Quarry Sdn Bhd is in the business of quarrying for granite and is not involved in any business relating to dolomite and other minerals which are similar or competing with MDSB's business. Sun Quarry and MDSB have different customers and target markets. Hence, there is no conflict of interest in Dato' Loh's role in MDSB. Notwithstanding this, in order to focus on MDSB, Dato' Loh has informed JTSA that he intends to resign as the Managing Director of Sun Quarry and will cease to be involved in the management of Sun Quarry.

As at the LPD, there are no management agreements with Mr. Chua, Mr. Low, Mr. Colin and Dato' Loh to spearhead our New Business. In the event there is resignation from any of our key management personnel may have a material adverse impact on our New Business as set out in Section 5.1 of Part A of this Circular. Notwithstanding the above, as part of our succession plan for the New Business, our Group will continue to (i) train, develop and educate our employees to ensure better understanding of the New Business and equip them with the necessary knowledge and skills to succeed in senior management role; (ii) identify potential successor and facilitate skills transfer; and (iii) recruit personnel with experience and expertise in relation to the New Business, to reduce our reliance on our key management personnel to grow our New Business moving forward and to ensure smooth running and transition of the New Business in the event of resignation of any of the key management personnel.

### **3. RATIONALE AND JUSTIFICATION FOR THE PROPOSED DIVERSIFICATION**

The Proposed Diversification is in line with our Group's objective to expand its revenue stream by diversifying into the New Business to enhance our shareholders' value in the long term. Our Group has identified the New Business to venture into, after considering the prospects of the New Business as set out in Sections 4.2, 4.3, 4.4 and 4.5 of Part A of this Circular and anticipates that there is a growth potential in the New Business in view of the growing demand in steel and building materials as the construction industry recovers. Our Board is of the view that the contribution from the New Business through the S&P Contract, Collaboration Agreement and the distribution of dolomites via the Distribution Agreement as well as our Board's intention to further expand our Group's revenue streams through the New Business as detailed in Section 2 of Part A of this Circular are expected to exceed 25% of our Group's net profit and the capital investments required for the New Business (such as the Mining Operations upon favourable outcome of the Geology Report and feasibility study) are expected to be more than 25% of our Group's NA moving forward.

Additionally, our Group will continue to seek further opportunities by seeking for new viable mining contracts/leases and exploring joint venture or co-operation opportunities with business partners to undertake mining and mining-related activities as well as exploring the sale and trading of other minerals. Furthermore, our Group is able to tap into the competency and experience of Mr. Chua, Mr. Low, Mr. Colin and Dato' Loh, being the key management personnel identified to spearhead our Group's New Business to enhance our Group's prospects by undertaking the Proposed Diversification effectively.

Our Group is currently operating across multiple business segments and may be exposed to instances of limited resources or challenges in optimising available resources which may adversely affect the success of our Group and our Group's financial performance as set out in Section 5.4 of Part A of this Circular. Notwithstanding the above, our Group will regularly review on the forecast of the resources and financial commitments required for each of our business segments taking into account, amongst others, the prospects of each business segments and our Group's future business plans for the respective business segments. Our Group will continue to monitor on our resources which include, amongst others, human resources and fundings, to meet the resources and financial commitments required for our respective business segments and ensure the sustainability of all our business segments.

Based on the foregoing, the approval of the shareholders of our Company is sought for the Proposed Diversification pursuant to Paragraph 10.13 of the Listing Requirements.

## **4. INDUSTRY OVERVIEW AND PROSPECTS**

### **4.1 Overview and outlook of the Malaysian economy**

The Malaysian economy grew by 5.0% in the first quarter of 2022 (4Q 2021: 3.6%). Growth was supported mainly by higher domestic demand as economic activity continued to normalise with the easing of containment measures. The improvement also reflects the recovery in the labour market and continued policy support. In addition, strong external demand, amid the continued upcycle in global technology, provided a further lift to growth. In terms of economic activity, the services and manufacturing sectors continued to drive growth. On a quarter-on-quarter seasonally-adjusted basis, the economy registered an increase of 3.9% (4Q 2021: 4.6%).

During the quarter, domestic demand expanded by 4.4% (4Q 2021: 1.9%). Growth was supported by higher consumption and improvement in investment activities amid the normalisation of economic activity. On the external front, demand for Malaysia's exports, particularly for electrical and electronics products, remained strong. Private consumption grew at a faster pace of 5.5% (4Q 2021: 3.7%), supported by higher spending on necessities and selected discretionary items such as restaurants and hotels, recreational services and household furnishings. The continued strength in consumer expenditure was primarily driven by the recovery in the labour market with higher wage and employment growth. Policy measures, such as Bantuan Keluarga Malaysia, also provided additional support to consumer spending.

Public consumption grew by 6.7% (4Q 2021: 1.6%). The expansion was driven mainly by higher growth in supplies and services amid continued support from COVID-19 related expenditure, including vaccine procurement and logistics spending.

The Malaysian economy is expected to improve further in 2022, underpinned by stronger domestic demand, continued expansion in external demand and improving labour market. Going forward, growth would continue to benefit from the easing of restrictions and reopening of international borders. Furthermore, investment activities are also projected to improve, supported by the realisation of multi-year projects.

However, the risks to Malaysia's growth prospects remain. These include a weaker-than-expected global growth, further escalation of geopolitical conflicts, worsening supply chain disruptions, adverse developments surrounding COVID-19 and heightened financial market volatility.

*(Source: BNM Quarterly Bulletin, First Quarter 2022, Bank Negara Malaysia)*

### **4.2 Overview and outlook of the mining industry in Malaysia**

Mining is a key economic sector in Malaysia owing to the fact that Malaysia is rich in mineral resources. In 2021, the mining and quarrying industry collectively accounted for 6.7% of Malaysia's GDP. Malaysia's key natural resources include natural gas, petroleum, copper, tin, bauxite and iron ore.

In 2021, a total of 19 projects were approved with investments of RM17,096.3 million, which contributed 98.7% of total investments in the primary sector. Of these, 16 projects in oil and gas constituted RM17,089.3 million in investments and the remaining three projects in minerals with RM7.0 million worth of investments. Foreign investments amounted to RM4,075.3 million (23.8%) while domestic investments totalled RM13,021 million (76.2%).

The global economy began recovering from the COVID-19 pandemic in the second-half of 2020, with the metals and mining commodity prices returning to pre-pandemic levels. Demand for most metals was driven upwards by the release of post-pandemic repressed consumer spending,

government stimulus efforts and an accelerating global energy transition away from carbon-based fuels. It is expected that metal prices may decrease in 2022 after supply disruptions are resolved and global growth softens. Similarly, global crude oil prices rose to above USD80 a barrel in October 2021 in anticipation of a vaccination-driven economic revival. A stable economic recovery is expected following these positive trends, particularly in the oil and gas sector. For Malaysia, the increased demand and high price of oil and gas are set to compel Petroliaam Nasional Berhad (“**PETRONAS**”) to ramp up capital expenditure; sending a cascading positive effect along the supply chain.

The Malaysian economy grew by 3.1% in 2021, as economic recovery was affected by the reimposition of COVID-19 containment measures. After experiencing significant supply and demand shocks triggered by the COVID-19 pandemic in 2020, economic activity improved moderately in 2021. The mining sector registered its first positive growth in 2021 since 2017 (2021: 0.7%; 2020: -10.6%). The turnaround was mainly attributed to the gradual recovery in global oil demand and new output from the PETRONAS Floating Liquefied Natural Gas DUA (PFLNG2) facility located in offshore East Malaysia, which commenced operations in February 2021. These factors had more than offset the impact of facility closures such as the Gumusut-Kakap field for maintenance purposes, and production disruptions in the other mining sub-sector due to restrictions from containment measures.

Malaysia’s economy is expected to improve further, with growth projected to be between 5.3% and 6.3% in 2022. This growth is to be supported by several factors, including the continued expansion in external demand, full upliftment of containment measures, reopening of international borders, and further improvement in labour market conditions. Further, the implementation of investment projects and targeted policy measures will provide further support to economic activity and aggregate demand. Collectively, these factors support a more broad-based and sustainable recovery for Malaysia. Domestic-specific factors, such as higher production from new manufacturing and mining facilities, expansion in existing facilities, and the continued progress of large infrastructure projects, are expected to drive the recovery in overall economic activity.

*(Source: IMR Report by PROVIDENCE)*

### **4.3 Overview and outlook of the iron ore industry in Malaysia**

The production of iron ore in Malaysia rose from 3.9 million tonnes in 2017 to 5.4 million tonnes in 2020 at a compound annual growth rate (“**CAGR**”) of 11.5%. The major producers of iron ores in Malaysia are the states of Pahang (39 mines, 3.3 million tonnes), Terengganu (16 mines, 1.0 million tonnes), Johor (2 mines, 0.7 million tonnes), Kelantan (5 mines, 0.1 million tonnes) and Kedah (3 mines, 0.1 million tonnes).

The growth of Malaysia’s iron mining industry will primarily be driven by the demand for iron ore in the steel manufacturing industry. Steel is made from iron ore or scrap and coal. Among the properties of steel are its hardness, durability, formability and high tensile strength. Due to its properties, steel is a key material used in various end-user industries including construction, automotive, furniture and various industrial products. The steel industry in Malaysia, based on manufacturing sales value, grew from RM22.6 billion in 2018 to RM26.5 billion in 2021 at a CAGR of 5.4%.

The Government of Malaysia announced, through Budget 2021 and Budget 2022, the funding of RM15 billion for the rollout of infrastructure projects, including the Pan Borneo Highway, Central Spine Road, Gemas-Johor Bahru Electrified Double-Tracking, Klang Valley Double-Tracking Phase 1, Mass Rapid Transit 3 and Johor-Singapore Rapid Transit System Link. These mega projects and initiatives will create increased demand for steel products, which are used as materials in the construction of residential, commercial, industrial and infrastructure projects.

This global demand for steel will continue to contribute to the growth of the steel industry in Malaysia, as exports constitute a large percentage of local production. In 2020, exports of steel products from Malaysia constituted 97.7% of the total production volume of steel products in Malaysia. As at 2020, Malaysia is the third largest exporter of steel in Southeast Asia, after

Vietnam and Indonesia. The steel industry in Malaysia is expected to continue benefitting from increasing exports of steel in light of growing global demand and implementation of free trade agreements, which will provide steel product manufacturers in Malaysia with market access, cost savings from elimination or reduction of customs duties and from mutual recognition agreements, trade facilitating customs procedures and removal of onerous regulations.

(Source: IMR Report by PROVIDENCE)

#### **4.4 Overview and outlook of the dolomite industry in Malaysia**

The production of dolomite in Malaysia rose from 126,353 tonnes in 2017 to 371,187 tonnes in 2019 at a CAGR of 71.4%. Although a large proportion of dolomite produced in Malaysia is used locally, Malaysia's exports of dolomite have illustrated significant growth over the years. In terms of volume, Malaysia's exports of dolomite rose from 29 tonnes to 1,164 tonnes over the same period at a CAGR of 533.5%. Comparatively, Malaysia's imports of dolomite rose from 15,490 tonnes to 422,496 tonnes at a CAGR of 422.3%.

The growth of Malaysia's dolomite mining industry will primarily be driven by the demand for dolomite in end user markets, as follows:

##### **i. Growth in the building and construction industry in Malaysia**

Dolomite is used to produce building materials for the construction industry. The construction industry in Malaysia, based on the value of awarded construction projects, grew from RM130.3 billion in 2016 to RM181.7 billion in 2019 at a CAGR of 11.7%. In 2020, the construction industry contracted, reflecting reduced work capacity in compliance to containment measures, labour shortages due to international border closures, supply chain disruptions and site shutdowns following the COVID-19 outbreak. Nevertheless, the easing of the containment measures since August 2021 and the reopening of the economy supported the gradual improvement in the construction sector towards the end of 2021.

Growth in the construction sector is expected to rebound in 2022 following the reopening of Malaysia's economy. Ongoing construction activity in large infrastructure projects and implementation of small-scale projects under the Budget 2022 measures will support growth in the civil engineering and special trade subsectors. The residential subsector is projected to benefit from new housing projects and launches, in tandem with the expected recovery in demand as income and employment prospects improve. Growth in the non-residential subsector is expected to be lifted by both existing and new commercial and industrial projects.

##### **ii. Growth in the glass manufacturing industry in Malaysia**

Dolomite acts as network modifiers in the glass manufacturing process. Malaysia's production of flat glass and other glass products, including solar glass, safety glass, borosilicate glass tubing, glass fibres of flat glass rose from RM5.1 billion in 2017 to RM5.9 billion in 2020 at a CAGR of 5.0%. In 2021, the production of flat glass and other glass products dropped to RM5.2 billion as a result of the COVID-19 pandemic which disruption glass manufacturing activities. Concurrently, the nation's exports of glass rose from USD955.4 million in 2017 to USD1,290.9 million in 2020 and subsequently, USD1,630.7 million in 2021.

Malaysia's flat glass industry is driven by the building materials and automotive industries. Automotive sales in Malaysia rose from 576,625 units in 2017 to 604,287 units in 2019 at a CAGR of 2.4%. This growth was underpinned by increased economic activity and trade flows. In 2020 and 2021, automotive sales were adversely affected by various restrictions imposed by the Government of Malaysia to curb the spread of COVID-19. As a result, automotive sales dropped to 529,434 units in 2020 and 508,911 units in 2021. The Malaysian Automotive Association forecasts that total sales of vehicles would reach 600,000 units in 2022 (comprising 540,000 passenger vehicles and 60,000 commercial vehicles).

### iii. **Growth in the steel manufacturing industry in Malaysia**

The main uses of dolomite in the iron and steel industry are as a fluxing material, for protection of refractory lining, and as a refractory raw material. The steel industry in Malaysia, based on manufacturing sales value, grew from RM22.6 billion in 2018 to RM26.5 billion in 2021 at a CAGR of 5.4%.

The Government of Malaysia announced, through Budget 2021 and Budget 2022, the funding of RM15 billion for the rollout of infrastructure projects, including the Pan Borneo Highway, Central Spine Road, Gemas-Johor Bahru Electrified Double-Tracking, Klang Valley Double-Tracking Phase 1, Mass Rapid Transit 3 and Johor-Singapore Rapid Transit System Link. These mega projects and initiatives will create increased demand for steel products, which are used as materials in the construction of residential, commercial, industrial and infrastructure projects

This global demand for steel will continue to contribute to the growth of the steel industry in Malaysia, as exports constitute a large percentage of local production. In 2020, exports of steel products from Malaysia constituted 97.7% of the total production volume of steel products in Malaysia.

### iv. **Growth in the agriculture sector in Malaysia**

Dolomite, a type of limestone, provides valuable nutrients to plants and helps change the potential of hydrogen (pH) level of the soil by raising it to match the plants' needs. Dolomite is often used in addition to fertilisers, particularly with seeding fruit.

Agriculture is a main economic sector in Malaysia. Growth in the agriculture sector improved by 2.0% in 2019 (2018: 0.1%), due mainly to a turnaround in oil palm yields from production constraints and adverse weather conditions in 2018. Nevertheless, the recovery was interrupted by the impact of exceptionally dry weather and a cutback in fertiliser application in the early part of the year, which negatively affected oil palm yields in the latter part of 2019. Natural rubber production also rebounded, as higher rubber prices induced more rubber tapping activity. Subsequently in 2020, the agriculture sector contracted by 2.2% (2019: 2.0%) mainly due to weaker oil palm output. In 2021, the agriculture sector contracted by 0.2% (2020: -2.2%) due to weaker oil palm output.

In 2022, recovery in the agriculture sector will be driven primarily by higher oil palm production. This is premised on expectations for a gradual improvement in labour supply. Heavier rainfall in the early part of the year is also expected to improve soil moisture and increase oil palm yields in the latter part of the year. In addition, the recovery in domestic demand is expected to support the continued strong expansion in livestock and other agriculture subsectors. Exports of agriculture products will be supported mainly by the CPO exports amid the higher prices and expected gradual easing of labour shortage.

*(Source: IMR Report by PROVIDENCE)*

## **4.5 Overview and outlook of the sand industry in Malaysia**

The sand industry in Malaysia, as indicated by production of sand and gravel in the country, grew from approximately 36.7 million MT in 2017 to approximately 69.4 million MT in 2019, registering a CAGR of 37.5% during the period. In 2019, Pahang produced the highest volume of sand and gravel with a production volume of 37.0 million MT, followed by Selangor (13.6 million MT), Perak (5.9 million MT) and Johor (4.4 million MT).

A large proportion of sand produced in Malaysia is used locally, as illustrated by the trend of exports of sand. Between 2017 and 2019, exports of sand and gravel declined from 1.5 million tonnes to 0.5 million tonnes. Meanwhile, imports of sand and gravel likewise marginally declined from 19,430 tonnes in 2017 to 14,300 tonnes in 2019. In 2020, sand mining and consumption

were affected as the local construction industry was adversely impacted by the COVID-19 pandemic and the resulting movement restrictions that hampered construction activities.

The growth of the sand mining industry in Malaysia will be largely driven by the growth in the building and construction industry in Malaysia. The construction industry in Malaysia, based on the value of awarded construction projects, grew from RM130.3 billion in 2016 to RM181.7 billion in 2019 at a CAGR of 11.7%. In 2020, the construction industry contracted following the COVID-19 outbreak. Despite some relaxation in operating constraints in May 2020, many project sites remained idle, as developers experienced financial, compliance, and supply-chain challenges in resuming work. In 2021, labour and operating capacity restrictions affected residential and non-residential construction activities. However, the easing of the containment measures since August 2021 and the reopening of the economy supported a gradual improvement in the construction sector towards the end of 2021. In 2022, the reopening of Malaysia's economy is expected to support growth in the construction sector. Further, ongoing large infrastructure projects as well as small-scale projects under the Budget 2022 measures will support growth in construction activities. The launch of new housing projects will also stimulate residential construction activities.

*(Source: IMR Report by PROVIDENCE)*

#### **4.6 Prospects of our Group**

In pursuing the New Business, our Group had entered into the S&P Contract, Distribution Agreement, Mining Agreement and Collaboration Agreement as detailed in Section 2.1 of Part A in this Circular. The Proposed Diversification will allow our Group to expand our Existing Business Activities to include the New Business which is expected to provide additional revenue stream to our Group. The entry into the S&P Contract, Distribution Agreement and Collaboration Agreement is expected to contribute positively to the financial performance of the Group whilst the entry into the Mining Agreement (which provides an avenue for our Company to undertake the Mining Operations upon successful discovery of high mineralisation and high grade iron ore in the Kuala Krai Land subject to satisfactory Geology Report and feasibility study) is expected to reduce our Group's reliance on sourcing the iron ore lumps from third parties thereby enhancing the Group's competitiveness.

Although the Group does not have prior involvement in the New Business, our Group will leverage on the experience of Mr. Chua, Mr. Low, Mr. Colin and Dato' Loh for the New Business as set out in Section 2.3 of Part A in this Circular to lead and work together with the additional employees with the relevant expertise in the industry to be recruited to assist in managing the New Business.

Moving forward, our Group will seek further opportunities by seeking for new viable mining contracts/leases and exploring and discovering new reserves for mining activities as well as exploring the sale and trading of other minerals. Presently, our Group is exploring for new viable mining contracts/leases and reliable sources for the mining, sale and trading of other minerals which include, amongst others, bauxite, manganese, tin and gold. Our Group intends to fund the New Business through our internally-generated funds as detailed in Section 2.2 of Part A of this Circular and to carry out the mining operations with the existing mining industry players through joint venture arrangement to leverage on their experience and expertise upon obtaining new viable mining contracts/leases.

For the property development division, in view of the positive response to the Casa Perdana joint development with a take-up rate of over 70%, our Group is launching the Ritze Perdana series located at Mukim 14, Daerah Seberang Perai Selatan, Simpang Ampat, Pulau Penang ("**SA65 Project**") in the current financial year. The SA65 Project will feature a total of 97 units of terrace houses on a land measuring approximately 6.9 acres, with an estimated gross development value of RM55 million. Our Group will build on the successful strategic partnerships for property development to maximise the return on shareholders' equity. The continued development of SA65 Project at Simpang Ampat will contribute positively to our Group's revenue in the coming years.

For the manufacturing division, our Group will ensure supply continuity to its customers, while focusing on enhancement to its production processes to achieve cost savings, reduction in response time and wastage. Our Board believes that the demand on our Group's product from manufacturing segment will recover which is mainly driven by the demand of infrastructure works in both public and private sectors. In response to the challenging market conditions, adding to the pressure will be the rising costs of materials and oil as well as the workforce shortages, our Group would tighten its customer credit evaluation to minimise bad debt and focus on ways to improve plant efficiency to ensure the manufacturing division can weather this challenging environment.

For the financing division, our Board believes that our Group is able to grow the money lending business after considering there are borrowers who may not have access to credit facilities from banks and financial institutions as a result of stricter lending requirements and borrowers who require faster financing as compared to long processing period imposed by banks and financial institutions. Our Group believes that its financing segment may be able to meet the demands from the underserved segment and expected to contribute positively to our Group's revenue in the coming years.

In view of the positive outlook of the New Business and barring any unforeseen circumstances, our Board is optimistic of the outlook of the New Business and that the Proposed Diversification is expected to enhance our Group's future prospects moving forward.

*(Source: Management of JMGB Group)*

## **5. RISK FACTORS**

### **5.1 Dependency on key management personnel**

Our Group has no prior experience in the New Business. Hence, our Group's future success in the New Business segment is highly dependent on the competency and experience of our key management personnel identified to spearhead our New Business as set out in Section 2.3 of Part A of this Circular.

Our Group's success in implementing the New Business depends largely on the capabilities, skills, competencies and continued effort of the key management personnel. However, there is no assurance that the key management personnel will continue their employment with our Group. Nonetheless, our Group will strive to continuously adopt appropriate approaches or measures to attract and retain the key management personnel, which include but not limited to offering incentives and competitive remuneration packages to incentivise their contributions in the New Business segment of our Group.

### **5.2 Risks inherent in the New Business**

The Proposed Diversification will result in our Group being subjected to the risks inherent in the New Business, which our Group was not previously exposed to, including but not limited to the following:

#### **5.2.1 Not undertaking the Mining Operations**

Geology Report will be conducted to assess the quantity and quality of the mineral resources and reserves of the Kuala Krai Land. Such determinants of mineral resources and reserves in the research studies are estimated based on certain estimation methodology and procedures and professional judgement of the expert undertaking the study. Generally, preliminary assessments of mineral deposits in the soil are subject to assumptions and estimates of the geologist undertaking the assessment.

Therefore, notwithstanding the exclusive rights granted under the Mining Agreement, there is no assurance that there will be successful discovery of high mineralisation and high grade iron ore in any part of the Remaining Kuala Krai Land to render it feasible to be

mined. Hence there is no assurance that our Company will commence the Mining Operations on the Remaining Kuala Krai Land or the timing thereof as this will be subject to the outcome of favourable Geology Report and/or preliminary assessments.

### **5.2.2 Future financing requirements**

Our Group intends to fund the New Business through our Group's internally-generated funds. However, in the event there is a shortfall from our Group's internally-generated funds, our Group may fund the shortfall by utilising bank borrowings, the quantum of which will be determined by our Board at a later stage depending on our Group's gearing, cost of funding and funding requirements and as a result our Group will incur additional interest expense arising from the drawdown of bank borrowings.

In view that the interest expense charged on bank borrowings are subject to prevailing interest rate, our Group may potentially be exposed to interest rate fluctuation which may significantly increase the costs of our Group's New Business and affect our Group's cash flows as well as profitability. Our Group will actively review its debt portfolio taking into consideration the level and nature of borrowings and seek to adopt cost effective financing actions.

However, there can be no assurance that the performance of our Group would not be materially affected in the event of any adverse changes in interest rates.

### **5.2.3 Fluctuation in prices of mineral resources**

The prices of mineral resources are affected by a number of factors which are beyond our control including, amongst others, expectation in respect to the inflation and interest rate of economies, foreign currency exchange rates, global and regional political and economic crisis. Declines in the prices of mineral resources and any economic downturn may adversely affect the financial performance of our Group's New Business. There is no assurance that the fluctuation in the prices of mineral resources will not have material adverse effects on our Group's New Business and financial performance.

### **5.2.4 Depletion of mineral resources**

The long-term commercial success of the mining activities is dependent amongst other, the ability of our Group in exploring and discovering new reserves to replace the depleted reserves and ability of our Group to seek for new mining contracts/leases. Without the continual discovery of replacement reserves, the existing reserves will decline over time with production.

Whilst our Group may, over time, undertake upgrade of its machinery in respect of mining activities and hire personnel with experience and expertise in mining activities such to improve its mining activities efficiency and chances of identifying further mineral deposits, there is no assurance that our Group will be able to discover new reserves or seek for new contracts/leases in a timely manner. In such event, our Group's mining activities and financial performance may be adversely affected.

### **5.2.5 Competition risk**

Our Group may face direct competition from new entrants and/or established competitors involve in the New Business. Our Group may face a disadvantage as compared to some of the established competitors as it lacks the relevant track record, capital resources, facilities and established reputations in the New Business. Our Group will take proactive measures to remain competitive in the New Business by, amongst others, collaborate with strategic partners with experience and expertise in mining-related business, constantly keeping abreast with the latest market conditions, and making efforts in maintaining a competitive edge in terms of cost efficiency, service quality, product quality and reliability.

However, there can be no assurance that our Group will be able to compete effectively with the existing established competitors and new entrants in the future, with regard to the New Business, which may materially affect our Group's financial performance.

### **5.2.6 Licenses, permits, approvals and regulatory requirements**

As a pre-requisite for carrying out the New Business such as the Mining Operations and export of minerals, our Group is required to comply with the relevant laws and regulatory requirements as well as obtaining necessary licenses, permits and approvals from relevant authorities in Malaysia. The licenses, permits and approvals required for our New Business are detailed in Section 2.1 of Part A of this Circular.

Some of the licenses, permits and approvals are subject to periodic renewal and reassessment by the relevant authorities, and the standards of compliance required in relation thereto may from time to time be subject to changes. Any unfavourable changes in the relevant laws and regulatory requirements as well as failure to obtain and/or renew the required licenses, permits and approvals may cause disruption in our New Business' operation. In such event, our Group's New Business and financial performance may be adversely affected.

Our Group will ensure compliance in the operation of our New Business and will keep abreast with all the latest updates and relevant regulatory requirements including undertaking periodic reviews and assessment to ensure our New Business is in compliance with the necessary regulatory requirements.

### **5.3 Political, economic and regulatory risk**

The prospects of our New Business depend to certain degree on the developments in the economic, political and regulatory front in the countries which our Group will be exposed to and any adverse changes in political, economic and regulatory conditions in the countries which our Group will be exposed to could materially affect the financials and prospects of our Group. Political, economic and regulatory uncertainties include, amongst others, risks of war, changes in political state, changes in economic conditions, changes in governmental policies such as changes to labour laws, introduction of new rules or regulations on mining industry, interest rates, fiscal and monetary policies and method of taxation.

Our Group will monitor the key development in the abovementioned political, economic and regulatory conditions and take measures to mitigate such risks by reviewing our Group's business strategies in response to any changes in political, economic and regulatory conditions.

### **5.4 Limited resources or challenges in optimising our available resources to ensure the sustainability and success of our Group's business segments**

Our Group is currently operating across multiple business segments and may be exposed to instances of limited resources or challenges in optimising available resources, including but not limited to funding, employees, facilities, equipment as well as in-depth technical knowledge, to ensure the sustainability and success of all our Group's business segments.

In the event there is significant limited resources or poor optimisation of our Group's available resources across our Group's business segments, it may lead to a situation where the operations of our business segments may be affected or become unsustainable and thereby adversely affect the success of our Group and our Group's financial performance.

Our Group will monitor our available resources and actively review the allocation of our available resources for each of our Group's business segments taking into account, amongst others, the respective risk profile of all our Group's business segments, the overall risk profile and targeted capital structure of our Group to optimise our available resources and to ensure the sustainability and success of our Group's business segments.

## **6. EFFECTS OF THE PROPOSED DIVERSIFICATION**

The Proposed Diversification will not have any effects on the share capital and substantial shareholders' shareholdings of our Company or the NA and gearing of our Group. However, the Proposed Diversification is expected to contribute positively to the earnings of our Group.

Notwithstanding the above, the future NA and gearing of our Group will depend on the manner of funding for the expenditures required for our New Business as well as the future profit contribution arising from our New Business.

## **7. APPROVALS REQUIRED**

The Proposed Diversification is subject to the approvals being obtained from:

- (i) the shareholders of our Company for the Proposed Diversification at the EGM to be convened; and
- (ii) any other relevant authorities and/or parties, if required.

## **8. CONDITIONALITY OF THE PROPOSED DIVERSIFICATION**

The Proposed Diversification is not conditional upon any other corporate exercise/scheme undertaken or to be undertaken by our Company.

## **9. CORPORATE EXERCISE/SCHEME ANNOUNCED BUT PENDING COMPLETION**

Save as disclosed below, there are no other corporate exercises/schemes which have been announced by our Company on Bursa Securities but pending completion as at the date of this Circular:-

- (i) on 26 January 2022, Malacca Securities Sdn Bhd had, on behalf of our Board, announce that our Company proposed to undertake a private placement of up to 96,606,238 new ordinary shares in JMGB ("**Placement Shares**"), representing 30.0% of the existing total number of issued JMGB Shares to third party investor(s) to be identified later at an issue price to be determined later.

Bursa Securities had, via its letter dated 23 March 2022, approved the listing and quotation of, amongst others, up to 96,606,238 Placement Shares to be issued pursuant to the private placement subject to Bursa Securities' conditions. Subsequently, shareholders of JMGB had approved the private placement at the EGM convened on 21 April 2022. As at the LPD, our Company has placed out 6,000,000 Placement Shares; and

- (ii) the Proposed Diversification (being the subject matter of this Circular).

## **10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM**

None of the Directors, major shareholders and/or chief executive of our Company and/or persons connected with them has any direct or indirect interest in the Proposed Diversification.

## **11. DIRECTORS' STATEMENT / RECOMMENDATION**

Our Board, after having considered all aspects of the Proposed Diversification, including but not limited to the rationale, prospects and risks associated with the Proposed Diversification, is of the opinion that the Proposed Diversification is in the best interest of our Company and the shareholders of our Company.

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

## **12. TENTATIVE TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to all required approval being obtained, our Board expects the Proposed Diversification to be completed in the 3<sup>rd</sup> quarter of 2022. For shareholders' information purpose, the Proposed Diversification shall take immediate effect upon obtaining the approval of the shareholders of our Company at the EGM.

## **13. EGM**

The EGM, the notice of which is enclosed together with this Circular, will be conducted on a fully virtual basis through live streaming and online remote participation via the Remote Participation and Voting ("RPV") facilities hosted on the VirtualeAGM e-portal at [www.vpoll.com.my](http://www.vpoll.com.my) (Domain registration No: D1A457149) provided by AI Smartual Learning Sdn Bhd in Malaysia on Wednesday, 7 September 2022, at 11.00 a.m., or immediately after the conclusion or adjournment (as the case maybe) of the Twentieth AGM of the Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is the later, for the purpose of considering and, if thought fit, passing the resolution pertaining to the Proposed Diversification.

If you are unable to attend and vote in person at the EGM, you may complete and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Registered Office of the Company at 39 Irving Road, 10400 George Town, Pulau Pinang, Malaysia not less than 48 hours before the respective date and time stipulated for the EGM, or any adjournment thereof. Please refer to the Administrative Guide of the EGM enclosed in this Circular.

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

## **14. FURTHER INFORMATION**

You are advised to refer to the enclosed appendices of this Circular for further information.

Yours faithfully,  
For and on behalf of the Board of  
**JADE MARVEL GROUP BERHAD**

**DATO' KHOO YIK CHOU**  
Joint Managing Director

**PART B**

**LETTER TO THE SHAREHOLDERS OF OUR  
COMPANY IN RELATION TO THE PROPOSED  
NEW SHAREHOLDERS' MANDATE**



**JADE MARVEL**  
GROUP BHD

**JADE MARVEL GROUP BERHAD**  
Registration No.: 200201024617 (592280-W)  
(Incorporated in Malaysia)

**Registered Office**  
39 Irving Road  
10400 George Town  
Pulau Pinang, Malaysia

22 August 2022

**Board of Directors**

Hj. Abdul Shukor Bin P A Hj. Mohd Sultan (*Chairman/ Independent Non-Executive Director*)  
Chong Wei Liang (*Deputy Chairman/ Executive Director*)  
Dennis Chung Vui Ming (*Joint Managing Director*)  
Dato' Khoo Yik Chou (*Joint Managing Director*)  
Tan Yen Yeow (*Independent Non-Executive Director*)  
Calvin Lau (*Independent Non-Executive Director*)  
Loh Seong Yew (*Non-Independent Non-Executive Director*)

**To: The shareholders of our Company**

Dear Sir/Madam,

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

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**1. INTRODUCTION**

On 16 August 2022, our Company announced that it is proposing to seek the approval of its shareholders for the Proposed New Shareholders' Mandate at the forthcoming EGM of the Company.

The purpose of this Circular is to provide the shareholders of the Company with the relevant information on the Proposed New Shareholders' Mandate and to seek your approval for the Proposed New Shareholders' Mandate to be tabled at the forthcoming EGM. The Notice of the EGM and Proxy Form are set out in this Circular.

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION IN RELATION TO THE PROPOSED NEW SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING EGM.**

## **2. THE PROPOSED NEW SHAREHOLDERS' MANDATE**

### **2.1 Shareholders' Mandate for Recurrent Related Party Transactions**

Pursuant to Paragraph 10.09(2) of the Listing Requirements, the Company may seek its shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature which are necessary for its day-to-day operations, subject to the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (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 the aggregate value is equal to or more than the threshold below (in relation to a listed issuer with a total issued share capital of RM60.0 million and above as in the Company):
  - (i) the consideration, value of the assets, capital outlay or costs of the recurrent related party transactions is RM1.0 million or more; or
  - (ii) the percentage ratio of such recurrent related party transactions is 1% or more;whichever is the higher;
- (c) the Company's circular to shareholders for the shareholders' mandate shall include the 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 a shareholders' mandate, the interested Director(s), interested Major Shareholder(s) or interested Person(s) Connected with a Director(s) or Major Shareholder(s), and where it involves the interest of an interested Person(s) Connected with a Director(s) or Major Shareholder(s), such Director(s) or Major Shareholder(s) must not vote on the resolution approving the Recurrent Related Party Transactions. An interested Director(s) or interested Major Shareholder(s) must ensure that Person(s) Connected with them abstain from voting on the resolution approving the Recurrent Related Party Transactions; and
- (e) the Company must immediately announce to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into, exceeds the estimated value of the Recurrent Related Party Transactions disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

It is envisaged that in the normal course of the Group's businesses, RRPT between companies in the Group and the Related Parties which are necessary for the Group's day-to-day operations, are likely to occur.

In this respect, the Board proposes to seek approval from shareholders on the Proposed New Shareholders' Mandate, to enable the Company and/or its subsidiaries to enter into RRPT for the as set out in Section 2.4 of Part B below with the classes of Related Parties as set out in Section 2.3 of Part B below in its normal course of business, 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 of the Company.

It is anticipated that the RRPT are in the ordinary course of the Group businesses and they are likely to occur and are necessary for the day-to-day operations.

The Proposed New Shareholders' Mandate will take effect from the passing of the ordinary resolution(s) proposed at the forthcoming EGM and will continue to be in force (unless revoked or varied by the shareholders of the Company in general meeting) until the conclusion of the next AGM of the Company. Thereafter, approval from the shareholders will be sought at each subsequent AGM of the Company.

JMGB is required to disclose the aggregate value of the RRPT conducted pursuant to the Proposed New Shareholders' Mandate in our Annual Report. In making such disclosure, we will provide a breakdown of the aggregate value of the RRPT made during the financial year pursuant to the Proposed New Shareholders' Mandate based on the following information:

- (a) type of Recurrent Related Party Transactions made; and
- (b) names of the Related Parties involved in each type of the Recurrent Related Party Transaction made and their relationship with the Company.

Details of the Recurrent Related Party Transactions of the Group are set out in the ensuing paragraphs.

## 2.2 Principal Activities of the JMGB Group

As at the LPD, our Group is principally involved in 4 main business segments namely, the investment holdings segment, which consists of investment holdings of companies as well as investment holding of properties including letting of properties, the manufacturing segment, which consists the manufacturing and trading of bituminous premix, tarmac, emulsion and operation of quarry, the property development segment and the financing segment.

As at the LPD, the principal activities of our subsidiaries, all of which are incorporated in Malaysia, are as follows:

<b>Direct Subsidiaries</b>	<b>Effective equity interest</b>	<b>Principal activities</b>
JMR Manufacturing Sdn. Bhd.	100%	Manufacturing of asphalt premix, road marking contractor and related road paving works
JMR Quarry (Kedah) Sdn. Bhd.	100%	Dormant
Lean Seng Chan (Quarry) Sdn. Bhd.	100%	Operation of quarry and providing transportation services
Link Lex (M) Sdn. Bhd.	100%	Property development
Rantronics Sdn. Bhd.	100%	Letting of properties
Great Marvel Sdn. Bhd.	100%	Property development
JMR Resources Management Sdn. Bhd.	100%	Letting of properties and provision of management services
Multilight Sdn. Bhd.	100%	Sales and services of goods and construction works
Great Marvel Development Sdn. Bhd.	100%	Dormant
Tag Steel Holdings Sdn. Bhd.	64%	Investment holding

<b>Direct Subsidiaries</b>	<b>Effective equity interest</b>	<b>Principal activities</b>
Jadem AI Manufacturing Sdn. Bhd.	51%	Dormant
Jadem White Sdn. Bhd.	60%	Dormant
Jadem EV & Automotive Sdn. Bhd.	51%	Dormant
Jadem Ganjaran Sdn. Bhd.	64%	Land reclamation contracting works and provision of project management services
Jadem Medical Sdn. Bhd.	100%	Dormant
JTSB	51%	(i) dealing in all kinds of sand, gravel, stones and mineral substances for construction usage or any other kinds of usage and businesses; (ii) purchase, lease or otherwise acquire any mines, mining rights and any other interest and dealing in all products of residual and by products; and (iii) investment holding
Total IPCO Sdn. Bhd.	100%	Investment holding, management activities and money lending services.
Jadem EHealth Sdn. Bhd.	51%	Business venture of management of the wellness industry related business via a one-stop information technology control system.
YHL Jadem Frozen Sdn. Bhd.	60%	Service of frozen processing, cold storage, value added, trading centre for all types of seafood.
Jadem IG Solutions Sdn. Bhd.	51%	(i) Management consultancy and advisory services in the monitoring, development and improvement of the internal control system and all related services for business improvement. (ii) Management consultancy services in relation to all kinds of business development

<b>Indirect Subsidiaries</b>	<b>Effective equity interest</b>	<b>Principal activities</b>
<b>Subsidiary of Link Lex (M) Sdn. Bhd.:</b>		
Fook Lye Enterprises (M) Sdn. Bhd.	99%	Investment holding
<b>Subsidiaries of Great Marvel Sdn. Bhd.:</b>		
SA Marvel Sdn. Bhd.	100%	Property development
SA Jade Development Sdn. Bhd.	100%	Property development
<b>Subsidiaries of Jadem Trading Sdn. Bhd.:</b>		
Jadem Dolomite Sdn. Bhd.	51%	Dormant
JFHMSB	26%	Dealing and leasing in heavy machinery, trucks, tractors, bulldozers, excavators and all other kinds of equipment and description for commercial, industrial or business use
Jadem Fuel Supply Sdn. Bhd.	51%	Dormant
Jadem Geomining Services Sdn. Bhd.	26%	Dormant
Jadem Logistics Solutions Sdn. Bhd.	51%	Dormant
Jadem Mineral Sdn. Bhd.	51%	Dormant
Jadem Mining Sdn. Bhd.	51%	Dormant
Jadem Port Services (Tok Bali) Sdn. Bhd.	51%	Dormant
Jadem Recycle Sdn. Bhd.	26%	Dormant
Jadem Resources Sdn. Bhd.	51%	Dormant
Jadem Timber & Plywood Sdn. Bhd	51%	Dormant
Jadem YC Dolomite Sdn. Bhd	26%	Dormant
Jade Mineral Resources Sdn. Bhd	51%	(i) Dealing in, trading, stockpiling and sale (including export) of sand. (ii) Other mining and quarrying n.e.c.; and (iii) Real estate activities with own or leased property n.e.c.
MDSB	26%	(i) Manufacturing, operating, dealing in dolomite, limestone, iron ore and other minerals for that purpose to construct, install, operate, manage and maintain all plants, mines, establishment, works etc. (ii) Mining of chalk and uncalcined dolomite; and (iii) Other manufacturing n.e.c.

Indirect Subsidiaries	Effective equity interest	Principal activities
<b>Subsidiaries of Total IPCO Sdn. Bhd.:</b>		
Utex Ltd.	100%	Business to business consultancy
MYK Capital Management Sdn. Bhd.	51%	Licensed credit community services
<b>Subsidiaries of Jadem EHealth Sdn. Bhd.:</b>		
M7 Medics Sdn. Bhd.	31%	Business venture of management of the wellness industry
I Wellness International Sdn. Bhd.	51%	Business of owning, developing and licensing software, applications, backend systems, IT technologies and its intellectual properties as well as the provision of online and digital portal management, with a particular focus on the healthcare and wellness industry
<b>Subsidiary of Jadem White Sdn. Bhd.:</b>		
JMTG	31%	Property construction, construction management and property development

### 2.3 Classes of Related Parties

The Proposed New Shareholders' Mandate will apply to the following classes of Related Parties:

- (a) Interested Director(s);
- (b) Interested Major Shareholder(s); and
- (c) Person(s) Connected with our Director(s) and/or Major Shareholder(s).

The principal activities of the Related Parties are as follows:-

Related Parties	Principal Activities
RDMSB	Processing, manufacturing, supplying and trading of all type of dolomite, metals and minerals products.
FHMSB	Reconditioning, sale, rental and dealing in heavy equipment, industrial and commercial plant and machinery.
MTGT	Property development, construction, and project management.

*[The remainder of this page has been intentionally left blank]*

## 2.4 Details of the Recurrent Related Party Transactions

The details of the RRPT and their estimated values for which approval is sought at the forthcoming EGM of our Company pursuant to the Proposed New Shareholders' Mandate are set out below:

Transacting Party in the Group	Related Parties	Nature of Transactions	Interested Directors, Major Shareholders and Persons Connected	Actual Value Transacted from the date of the first transaction up to LPD** (RM'000)	Estimated Aggregate Value during the Proposed New Mandate Period * (RM'000)	Notes
MDSB (purchaser)	RDMSB (vendor)	Purchase of dolomite from RDMSB	Joe Lee Wang Joo JLMSB Lee Pak Chong Amanda Lee Leng Hui Nicole Lee Leng Yi	1,119	10,000	(1)
JFHMSB (lessee)	FHMSB (lessor)	Lease of heavy machineries or equipment, including bulldozer, wheel loader, excavator and dump truck from FHMSB	FISB Dato' Loh Lap Yan Loh Sai Kiat	183	3,000	(2)
JMTG (contractor)	MTGT (customer)	Provision of construction materials and services to MTGT	MTGH Ong Tang Chuan Ong Tang Li	-	4,916	(3)

### **Notes:**

\* *The estimated values are merely estimates for the period from the forthcoming EGM to the next AGM. The estimated value is based on the latest available information relating to the aforesaid transactions and management's forecasts on transaction values. The actual value may vary from the estimated value disclosed. Disclosure will be made in the next annual report of our Company on the actual value of transactions conducted.*

\*\* *The RRPT transacted are crucial to sustaining the daily operation of JMGB Group, any delay might distort the business operation. The date of first transaction varies and the percentage ratio (as defined under Paragraph 10.02(g) of the Listing Requirements) for the transaction(s) from the date of first transaction up to the date of the forthcoming EGM is less than 5% and hence, no shareholders' approval is required.*

- (1) - JLMSB is a direct Major Shareholder of MDSB, holding 24% direct shareholding of MDSB.
- Joe Lee Wang Joo is a common Director of MDSB, RDMSB and JLMSB. He is a direct Major Shareholder of JLMSB, holding 25% direct shareholdings in JLMSB. He is also a direct Major Shareholder of RDMSB, holding 51% direct shareholding in RDMSB. Joe Lee Wang Joo is the son of Lee Pak Chong and the sibling of Amanda Lee Leng Hui and Nicole Lee Leng Yi.
- Lee Pak Chong is a common Director of JLMSB and RDMSB. He is a direct Major Shareholder of JLMSB, holding 25% direct shareholdings in JLMSB. He is the father of Joe Lee Wang Joo, Amanda Lee Leng Hui and Nicole Lee Leng Yi.
- Amanda Lee Leng Hui is a Director and a direct Major Shareholder of RDMSB, holding 24.5% direct shareholding in RDMSB.
- Nicole Lee Leng Yi is a Director and a direct Major Shareholder of RDMSB, holding 24.5% direct shareholding in RDMSB.

- (2) - *FHMSB is a direct Major Shareholder of JFHMSB, holding 49% direct shareholding in JFHMSB.*
- *FHMSB is 100%-owned subsidiary of FISB.*
- *Dato' Loh Lap Yan is a common Director of JFHMSB, FHMSB and FISB. He is a direct Major Shareholder of FISB, holding 57% direct shareholding in FISB. Dato' Loh Lap Yan is the father of Loh Sai Kiat and Loh Sai Yik.*
- *Loh Sai Kiat is the director of JFHMSB. He is the son of Dato' Loh Lap Yan.*
- (3) - *MTGT is a direct Major Shareholder of JMTG, holding 49% direct shareholding in JMTG.*
- *MTGH is a direct Major Shareholder of MTGT, holding 33.3% direct shareholding in MTGT.*
- *Ong Tang Chuan is a common Director of JMTG, MTGT and MTGH. He is a direct Major Shareholder of MTGT, holding 56.7% direct shareholding in MTGT. He is also a direct Major Shareholder of MTGH, holding 54.6% direct shareholding in MTGH. He is the brother of Ong Tang Li.*
- *Ong Tang Li is a common Director of JMTG, MTGT and MTGH. She is a direct Major Shareholder of MTGT, holding 10% direct shareholding in MTGT. She is the sister of Ong Tang Chuan.*

## **2.5 Review Procedures for the RRPT**

The JMGB Group has established various methods and procedures to ensure that the RRPT are undertaken on arm's length basis and on normal commercial terms that are not more favourable to the Related Parties than those generally available to the public, and are not to the detriment of the minority shareholders.

In this respect, the JMGB Group has implemented the following review procedures with regard to the RRPT:-

- (a) A notice will be circulated within the JMGB Group to notify that any RRPT are required to be undertaken on an arm's length basis under normal commercial terms consistent with our Group's business practices and policies, and 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;
- (b) The management of our Group has been kept informed of policies and procedures applicable to the RRPT, who will ensure that the transaction with the Related Parties will only be entered into after taking into consideration the transaction prices and rates based on prevailing market prices that are agreed upon under similar commercial terms for transactions with third parties and on terms which are generally in line with the industry norms;
- (c) Records will be maintained by our Company to capture all RRPT which are entered into pursuant to the Proposed New Shareholders' Mandate;
- (d) All RRPT will be carried out at arm's length and based on our Group's normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and will not be prejudicial to the minority shareholders;
- (e) The transaction prices and terms are determined based on the prevailing market rates which are determined by market forces, demand and supply, specifications and other relevant factors;

- (f) Where practical and feasible, at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. Where it is impractical or impossible for quotes and/or tenders to be obtained from unrelated third parties, or where there have not been any similar or substantially similar transactions between our Group and Related Parties, the terms of the transactions for the products or services will be in accordance with the Group's usual business practice, and at rates not more favourable to the Related Parties than those generally available to the public and is not detrimental to our Group;
- (g) The annual internal audit plan shall incorporate a review of all RRPT entered into pursuant to the Proposed New Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to. Any divergence will be reported to the Audit Committee;
- (h) All RRPT are tabled to the Audit Committee for review on a quarterly basis. In the review of the RRPT, the Audit Committee may, as they deem fit, request for additional information pertaining to the RRPT from independent sources and advisers;
- (i) The Audit Committee will report its findings to the Board for further action if during the quarterly review the Audit Committee is of the view that the guidelines and procedures are not sufficient to ensure normal commercial terms and/or the transaction is deemed detrimental to the minority shareholders; and
- (j) Our Board shall have overall responsibility for the determination of the review procedures. If a member of our Board or Audit Committee has an interest in the RRPT, he/she shall abstain from any decision-making by our Board or Audit Committee in respect of such transactions and continue to abstain from voting on the resolution approving the transactions.

## **2.6 Threshold for Authority**

There is no specific threshold for approval of the RRPT within our Group. However, all RRPT will be reviewed and authorised by any one (1) of the Executive Directors and the Group Chief Finance Officer of our Company, provided always that such persons have no interest (direct or indirect) in the RRPT and the RRPT have been approved pursuant to the shareholders' approval of the RRPT in the general meetings.

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

The Audit Committee is also in the view that JMGB Group has put in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner.

The Audit Committee of our Company is of the view that the said procedures are sufficient to ensure that the RRPT are conducted at arm's length and on normal commercial terms which are consistent with our Group's normal business practices and policies and 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 of our Group.

The procedures will be reviewed on yearly basis at the very minimum, or whenever Audit Committee considers appropriate, having regard to the value and the frequency of the RRPT.

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

As at LPD, there is no amount due and owing to our Group by the Related Parties pursuant to RRPT described in Section 2.4 of Part B of this Circular which has exceeded the credit term.

## **2.9 Disclosure in Annual Report**

Disclosure will be made in our Company's annual report on the RRPT conducted pursuant to the Proposed New Shareholders' Mandate with a breakdown of the aggregate value of the RRPT made during the financial year, based on the following information:

- (a) the type of RRPT made; and
- (b) the names of the Related Parties involved in each type of the RRPT entered into and their relationship with the JMGB Group.

The above disclosure will be made in the Company's annual report for each subsequent financial year after the Proposed New Shareholders' Mandate has been obtained.

## **3. RATIONALE AND BENEFITS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE**

The RRPT set out in Section 2.4 of Part B of this Circular are in the ordinary courses of business and intended to meet the business needs of our Group on the best possible terms. These RRPT may be time-sensitive in nature and it may be impractical to seek shareholders' approval on a case-by-case basis before entering into such transactions. The Proposed New Shareholders' Mandate is to ensure the RRPT will be transacted at arm's length basis and the terms entered into will not be more favourable to the Related Parties than those generally available to the public or detrimental to the minority shareholders of the Company.

The obtaining of the Proposed New Shareholders' Mandate and renewing the same on an annual basis will eliminate the need to announce and convene separate general meetings of the Company from time to time to seek shareholders' approval on each occasion pursuant to the requirements of Paragraph 10.09 of the Listing Requirements, as and when potential transactions with the specified classes of Related Parties arise. This will also substantially reduce expenses associated with the convening of such meetings on an ad hoc basis, improve administrative efficiency and allow human resources and time to be channeled towards attaining other corporate objectives and opportunities.

Hence, the Proposed New Shareholders' Mandate will benefit the Company by facilitating entry by members of JMGB Group into RRPT specified in Section 2.4 of Part B in a timely manner and will enable our Group to continue to carry out the RRPT which are necessary for our Group's day-to-day operations and important for the continued success and viability of our Group's business.

Additionally, the Group benefits from the close working relationships with these Related Parties with their reliability and expertise in their respective fields. Our Group looks to the Related Parties to provide our Group with prompt and reliable support for our operational and business needs.

## **4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE**

The Proposed New Shareholders' Mandate is not expected to have any effect on the issued share capital, substantial shareholding, gearing and earnings and net assets of JMGB Group.

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## 5. APPROVALS REQUIRED

The Proposed New Shareholders' Mandate is conditional upon the approval of our Shareholders being obtained at the forthcoming EGM to be convened.

## 6. VALIDITY PERIOD FOR THE PROPOSED NEW SHAREHOLDERS' MANDATE

The Proposed New Shareholders' Mandate, if approved by the shareholders of the Company during forthcoming EGM or any adjournment thereof until:-

- (a) the conclusion of the next AGM of the Company following the forthcoming EGM, at which the ordinary resolution for the Proposed New Shareholders' Mandate is passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- (b) the expiration of the period within which the next AGM of the Company after that date it is required by law 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 an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier.

Thereafter, the approval of the shareholders of the Company will be sought for the renewal and/or new shareholders' mandate at each subsequent AGM of the Company, subject to satisfactory review by the Audit Committee of its continued application to the Recurrent Related Party Transactions.

## 7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

As at the LPD, none of the Directors and/or Major Shareholders of JMGB and/or Persons Connected to the Directors and/or Major Shareholders of JMGB has any interest, direct or indirect, in the Proposed New Shareholders' Mandate.

The Directors and/or Major Shareholders of the subsidiaries of JMGB who have interest in the RRPTs are disclosed in Section 2.4 of Part B of this Circular ("**Interested Parties**"). For shareholders' information, as at the LPD, none of the Interested Parties and/or Persons Connected to them has any direct and/or indirect shareholdings in JMGB. Notwithstanding this, the Interested Parties will abstain from voting in respect of his/her direct and/or indirect shareholdings in JMGB during the EGM (if any), on the resolution pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming EGM. The Interested Parties have also undertaken that they will ensure that persons connected to them who hold shares in JMGB during the EGM (if any), shall also abstain from voting in respect of their direct and/or indirect shareholdings in JMGB, on the resolution pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming EGM.

In addition, these Interested Parties who are also Directors of the subsidiaries involved in the RRPTs have abstained and shall continue to abstain from deliberation and voting at the respective Subsidiaries' board meetings pertaining to the RRPTs.

## **8. DIRECTORS' STATEMENT AND RECOMMENDATION**

The Board having considered all aspects of the Proposed New Shareholders' Mandate, is of the opinion that the Proposed New Shareholders' Mandate is fair and reasonable and is in the best interest of the Company and its shareholders.

Accordingly, the Board having considered all aspects of the Proposed New Shareholders' Mandate, is of the opinion that the Proposed New Shareholders' Mandate are in the best interest of JMGB Group and accordingly, the Board recommends that you vote in favour of the ordinary resolution on the Proposed New Shareholders' Mandate to be tabled at the forthcoming EGM.

## **9. EGM**

The EGM, the notice of which is enclosed together with this Circular, will be conducted on a fully virtual basis through live streaming and online remote participation via the Remote Participation and Voting ("RPV") facilities hosted on the VirtualeAGM e-portal at [www.vpoll.com.my](http://www.vpoll.com.my) (Domain registration No: D1A457149) provided by AI Smartual Learning Sdn Bhd in Malaysia on Wednesday, 7 September 2022, at 11.00 a.m., or immediately after the conclusion or adjournment (as the case maybe) of the Twentieth AGM of the Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is the later, for the purpose of considering and, if thought fit, passing the resolution pertaining to the Proposed New Shareholders' Mandate.

If you are unable to attend and vote in person at the EGM, you may complete and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Registered Office of the Company at 39 Irving Road, 10400 George Town, Pulau Pinang, Malaysia not less than 48 hours before the respective date and time stipulated for the EGM, or any adjournment thereof. Please refer to the Administrative Guide of the EGM enclosed in this Circular.

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

## **10. FURTHER INFORMATION**

Shareholders are requested to refer to the attached Appendix III of this Circular for further information.

Yours faithfully  
For and on behalf of the Board of Directors  
**JADE MARVEL GROUP BERHAD**

**DATO' KHOO YIK CHOU**  
Joint Managing Director

## ADDITIONAL INFORMATION

### 1. HISTORICAL FINANCIAL INFORMATION OF OUR GROUP

A summary of the historical financial information of our Group based on its audited financial statements for the FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FYE 31 March 2022 are as follows:

	FYE 31 March			
	Audited			
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
Revenue	15,972	13,352	22,922	30,208
Gross Profit ("GP")	2,013	2,229	10,247	8,801
(Loss) / Profit before tax ("LBT" / "PBT")	(842)	(6,464)	4,790	8,837
(Loss) / Profit after tax ("LAT" / "PAT")	(1,077)	(7,134)	4,007	7,652
(LAT) / PAT attributable to:				
- Owners of the Company	(997)	(7,129)	4,035	7,050
- Non-controlling interest	(80)	(5)	(28)	602
Share capital	126,784	126,784	126,784	160,499
Shareholders equity / Net asset	93,009	85,880	89,915	130,751
Total equity	95,629	88,495	92,502	135,202
Total assets	114,039	99,349	105,668	155,515
Total borrowings	13,545	5,248	8,627	7,172
No. of JMGB shares in issue ('000)	126,784	126,784	126,784	322,021
LAT/PAT margin (%)	(6.74)	(53.43)	17.60	25.33
(Loss) / Earning per JMGB share (sen)	(0.79)	(5.62)	1.94	2.42
NA per JMGB share (RM)	0.73	0.68	0.71	0.41
Gearing (times)	0.14	0.06	0.09	0.05

#### Notes:

- (1) Computed based on NA attributable to the owners of our Company divided by the number of JMGB shares in issue.
- (2) Computed based on total borrowings divided by total equity.

#### Commentaries

##### FYE 31 March 2020 vs FYE 31 March 2019

Our Group's revenue decreased by RM2.62 million or 16.40% to RM13.35 million in the FYE 31 March 2020 from RM15.97 million in the FYE 31 March 2019. The decrease in revenue was mainly due to the decrease in revenue generated from our manufacturing segment which decreased RM3.31 million to RM11.56 million in the FYE 31 March 2020 as compared to RM14.86 million in the FYE 31 March 2019.

Our Group's LBT increased by RM5.62 million or 669.05% from RM0.84 million for the FYE 31 March 2019 to RM6.46 million in the FYE 31 March 2020. The increase in LBT was mainly due to a provision of RM4.98 million which has been set aside by our Group for property development costs incurred for the SA65 Project as a result of inventory write-down.

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**ADDITIONAL INFORMATION (Cont'd)**

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**FYE 31 March 2021 vs FYE 31 March 2020**

Our Group's revenue increased by RM9.57 million or 71.67% from RM13.35 million in the FYE 31 March 2020 to RM22.92 million in the FYE 31 March 2021. The increase in revenue was mainly due to the revenue generated from our property development segment which increased RM13.38 million to RM14.78 million in the FYE 31 March 2021 from RM1.41 million in the FYE 31 March 2020.

Our Group recorded PBT of RM4.79 million in the FYE 31 March 2021 which represent an increase of RM11.26 million or 174.15% as compared to the LBT of RM6.46 million in the FYE 31 March 2020. The increase in PBT recorded was mainly due to higher contribution from our property development segment.

**FYE 31 March 2022 vs FYE 31 March 2021**

Our Group's revenue increased by RM7.29 million or 31.79% from RM22.92 million in the FYE 31 March 2021 to RM30.21 million in the FYE 31 March 2022. The increase in revenue was mainly due to the new recurring revenue generated from our other segments, which consist of construction, healthcare services and mining activities, of RM12.44 million in the FYE 31 March 2022 as compared to the FYE 31 March 2021 where our other segments were not existed yet.

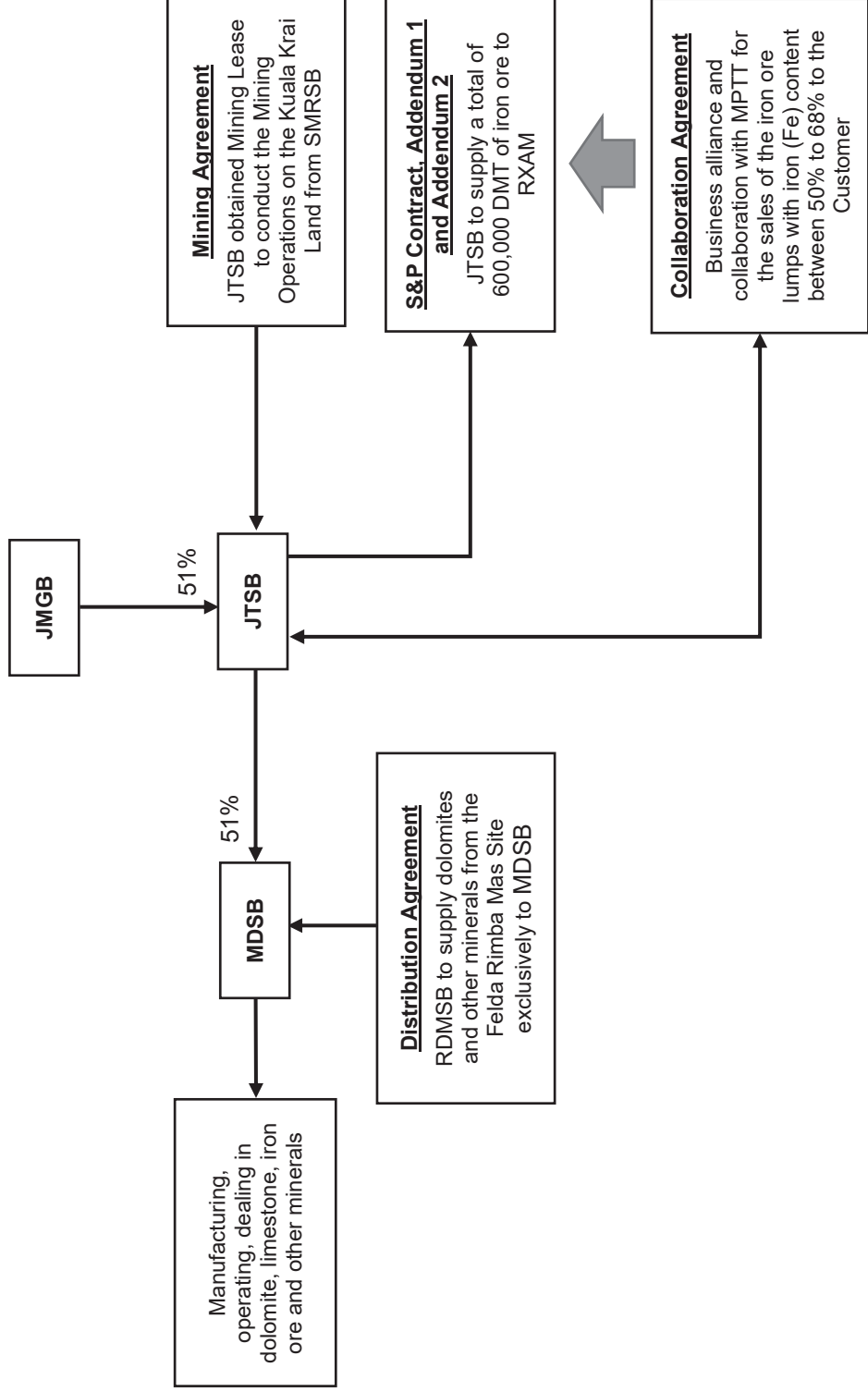
Our Group's PBT increased by RM4.05 million or 84.49% from RM4.79 million in the FYE 31 March 2021 to RM8.84 million in the FYE 31 March 2022. The increase in PBT recorded was mainly due to the gain on disposal of property, plant and equipment and investment property which amounted to RM5.18 million in the FYE 31 March 2022 as compared to RM0.07 million in the FYE 31 March 2021.

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**FURTHER INFORMATION ON THE S&P CONTRACT, ADDENDUM 1, ADDENDUM 2, MINING AGREEMENT, DISTRIBUTION AGREEMENT, AND COLLABORATION AGREEMENT**

**1. Details of JMGB's subsidiaries involved in the S&P Contract, Addendum 1, Addendum 2, Mining Agreement, Distribution Agreement and Collaboration Agreement**

For information, the diagram below illustrates the relationship between the JMGB Group and parties involved in the S&P Contract, Addendum 1, Addendum 2, Mining Agreement, Distribution Agreement and Collaboration Agreement.



**FURTHER INFORMATION ON THE S&P CONTRACT, ADDENDUM 1, ADDENDUM 2, MINING AGREEMENT, DISTRIBUTION AGREEMENT AND COLLABORATION AGREEMENT (Cont'd)**

(a) **Details of JT SB**

JT SB, a 51%-owned subsidiary of JMGB, is a private limited company incorporated in Malaysia on 30 August 2021 under the Companies Act 2016 (“Act”). JT SB is principally engaged in the business of (i) dealing in all kinds of sand, gravel, stones and mineral substances for construction usage or any other kinds of usage and businesses; (ii) purchase, lease or otherwise acquire any mines, mining rights and any other interest and dealing in all products of residual and by products; and (iii) investment holding.

As at the LPD, JT SB’s share capital is RM2,500,000.00 comprising 2,500,000 ordinary shares.

As at the LPD, the directors of JT SB are as follows:

- (i) Dato’ Khoo Yik Chou;
- (ii) Dennis Chung Vui Ming; and
- (iii) Mr. Chua.

As at the LPD, the details of the shareholders and their shareholdings in JT SB are as follows:

Shareholders	No. of shares	%
JMGB	1,275,000	51.0
Mr. Chua	900,000	36.0
Goh Chee Siang	325,000	13.0

(b) **Details of MDSB**

MDSB, a 51%-owned subsidiary of JT SB, is a private limited company incorporated in Malaysia on 21 March 2022 under the Act. MDSB is principally engaged in the business of (i) manufacturing, operating, dealing in dolomite, limestone, iron ore and other minerals for that purpose to construct, install, operate, manage and maintain all plants, mines, establishments, works etc; (ii) mining of chalk and uncalcined dolomite; and (iii) other manufacturing n.e.c.

As at the LPD, MDSB’s share capital is RM100.00 comprising 100 ordinary shares.

As at the LPD, the directors of MDSB are as follows:

- (i) Dato’ Khoo Yik Chou;
- (ii) Mr. Chua;
- (iii) Dato’ Loh; and
- (iv) Joe Lee Wang Joo.

As at the LPD, the details of the shareholders and their shareholdings in MDSB are as follows:

Shareholders	Direct		Indirect	
	No. of shares	%	No. of shares	%
JT SB	51	51.0	-	-
Dato’ Loh	25	25.0	24 <sup>(i)</sup>	24.0
JL Mining Sdn Bhd	24	24.0	-	-
Joe Lee Wang Joo	-	-	24 <sup>(i)</sup>	24.0
Chua Kian Leong	-	-	51 <sup>(ii)</sup>	51.0

**Notes:**

- (i) Deem interested by virtue of his interest in JL Mining Sdn Bhd.
- (ii) Deem interested by virtue of his interest in JT SB.

**FURTHER INFORMATION ON THE S&P CONTRACT, ADDENDUM 1, ADDENDUM 2, MINING AGREEMENT, DISTRIBUTION AGREEMENT AND COLLABORATION AGREEMENT (Cont'd)**

**2. Details of S&P Contracts**

**2.1 Salient terms of the S&P Contract**

The salient terms of the S&P Contract are as follows:

**2.1.1 Delivery, Quantity and Quality**

- i. JTSB and RXAM agree that the S&P Contract is for sale and purchase of total quantity of 600,000 DMT for 12-month contractual period commencing from the date of the S&P Contract, with an initial shipment of approximately 30,000 DMT (+/- 10%) ("**First Trial Shipment**")\*.
- ii. The iron ore lumps shall comply with the following specifications ("**Specifications**"):

<b>Chemical composition</b>	<b>Guaranteed (% by weight)</b>
Iron (Fe)	62% basis, subject to re-negotiation of price if below 60%
Silicon dioxide or silica (SiO <sub>2</sub> )	4.0% max
Aluminium oxide (Al <sub>2</sub> O <sub>3</sub> )	3.0% max
Phosphorus (P)	0.05% max
Sulphur (S)	0.05% max
Moisture loss at 105 Degrees Centigrade	8.0% max
Physical Composition	Lump: 10 – 50mm: 90% Below 10 mm and above 50mm: 10% max.

- iii. The iron ore lumps will be shipped CFR (Cost and Freight) from Kuantan Port or any safe port in Malaysia ("**Port of Loading**")\* to Shan Dong Port or any safe port in China.

*\*Note: These parts have been amended by Addendum 2 – see details of amendments in Section 2.3 below.*

**2.1.2 Price**

- i. The provisional price agreed by the parties is USD110.00 per MT. The actual price per MT for each shipment shall be based on the published Platts daily iron ore (62% FeCFR North China) price index minus USD20.00 for operation costs\*\*.
- ii. The price is subject to adjustment as provided under the S&P Contract if the Specifications are not met.
- iii. RXAM shall deliver an irrevocable Letter of Credit to JTSB as payment for each shipment.

*\*\*Note: This part has been amended by Addendum 1 – see details of amendments in Section 2.2 below.*

**2.1.3 Force majeure**

- i. Either JTSB or RXAM shall be relieved of and excused from its obligation to perform the S&P Contract during any period its performance is prevented or delayed by a force majeure event beyond its reasonable control.
- ii. In the event that such a force majeure event occurs or is anticipated, the party directly affected shall advise the other party as soon as possible of the same. If the force majeure event lasts over three (3) months, RXAM shall have the right to cancel the order contract affected by the force majeure event.

**FURTHER INFORMATION ON THE S&P CONTRACT, ADDENDUM 1, ADDENDUM 2, MINING AGREEMENT, DISTRIBUTION AGREEMENT AND COLLABORATION AGREEMENT (Cont'd)**

**2.1.4 Title and risk**

The title to each shipment shall pass from JTSB to RXAM when JTSB receives payment. All risks of loss, damage or destruction shall pass to RXAM upon the loading of the iron ore onboard the carrying vessel at the Port of Loading.

**2.1.5 Governing law and legal action**

- i. JTSB and RXAM agree that the S&P Contract and any dispute or claim shall be governed by and construed in accordance with English laws.
- ii. All disputes or differences whatsoever arising between JTSB and RXAM shall be settled by friendly negotiations between the two parties. If no settlement can be reached, the dispute shall then be submitted to International Court of Arbitration of the International Chamber of Commerce to be settled under the Rules of Arbitration of the International Chamber of Commerce.

**2.2 Addendum 1**

JTSB and RXAM have mutually agreed to add the following clause (extracted verbatim) in the S&P Contract:

**2.2.1 Clause 3.2.1**

“Price calculation will be average of 7 days on arriving port date before 3 days, and after 3 days of arriving port date. Base (sic) on Published Platts Daily Iron Ore price Fe 62% CFR North China minus USD20.00.”

**2.3 Addendum 2**

JTSB and RXAM have mutually agreed to amend the clauses in the S&P Contract as follows:

**2.3.1 Clause 1. Commodity**

Port of Loading	any safe port in Malaysia or Thailand or elsewhere as may be advised by the Seller to the Buyer (“port of loading”)
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**2.3.2 Clause 2. Delivery, Quantity and Quality**

- i. The minimum quantity for the first trial shipment shall be 20,000 DMT (+/- 10%) (“**Amended First Trial Shipment**”).
- ii. Due to inter alia, causes resulting directly and indirectly from the COVID-19 pandemic including disruptions in supply chain, governmental shutdowns and restrictions, both JTSB and RXAM agree to extend the shipment date for the Amended First Trial Shipment for a further period of three (3) months from 24 May 2022, which extension shall be deemed to take effect retrospectively from the said date.
- iii. RXAM confirms and acknowledges to RXAM that the Amended First Trial Shipment shall be shipped by a nominated supplier from Thailand agreed by JTSB and RXAM (“**Nominated Supplier**”). RXAM also has an existing sale and purchase contract with the Nominated Supplier which may differ from the S&P Contract, and notwithstanding such differences, RXAM agrees with JTSB that the shipment by such Nominated Supplier (in lieu of JTSB) shall be deemed the fulfilment of the Amended First Trial Shipment by JTSB under the S&P Contract.

**FURTHER INFORMATION ON THE S&P CONTRACT, ADDENDUM 1, ADDENDUM 2, MINING AGREEMENT, DISTRIBUTION AGREEMENT AND COLLABORATION AGREEMENT (Cont'd)**

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**2.4 Information on RXAM**

RXAM is a limited company incorporated in China on 8 May 2017 with its address at 7<sup>th</sup> Floor, Kai Hang Building, Yu Quan Er Road, Lanshan District, Rizhao City, Shandong Province, China. RXAM's principal business is investment and management of cargo warehousing projects with own funds; dealing in primary agricultural products (excluding food), primary aquatic products (excluding food), coal, mineral products, building materials, hardware, rubber products, plastic products, metal materials, wood, cement and clinker, chemical products, mechanical and electrical equipment and spare parts, agricultural materials and fertilizers, labour protection supplies, household appliances, daily necessities, textiles and clothing, office supplies furniture sales (excluding hazardous chemicals, chemicals and products specially licensed by the state); cargo warehousing (excluding inflammable, explosive and dangerous chemicals); house and land leasing; and business information consultation (subject to approval by relevant authorities).

As at the LPD, the executive director and general manager of RXAM is Li Hongxia (李洪霞) and the supervisor is Wang Huimin (王慧敏). RXAM is wholly-owned by Jinan Dongxing Hongxiang Investment Co., Ltd.

**3. Details of Mining Agreement**

**3.1 Salient terms of the Mining Agreement**

The salient terms of the Mining Agreement are as follows:

**3.1.1 Grant of sole and exclusive rights**

- i. SMRSB grants to JTSB the sole and exclusive right and privilege to enter and occupy the Kuala Krai Land with the sole and exclusive right and privilege to carry out the Mining Operations on the Kuala Krai Land at JTSB's costs and expense during the operation period commencing from the date of the Mining Agreement until the expiry of the Term or any renewal thereof subject to the termination of the Mining Agreement ("**Operation Period**") including the right of ingress and egress for personnel, machinery, equipment, supplies and products and the right to use so much of the surface and water located thereon as may be reasonably needed for such purposes.
- ii. The granting of the sole and exclusive rights to JTSB to enter and occupy the Kuala Krai Land as the sole and exclusive operator to undertake the Mining Operations shall confer the exclusive possession upon JTSB and all such legal rights, titles and interests of SMRSB in the Kuala Krai Land and under the Mining Lease, and all mining claims described in the Mining Agreement.
- iii. As soon as practicable after the execution of the Mining Agreement and subject to the payment of the Deposit 1 (as defined in Section 3.1.2 of this Appendix II), JTSB shall at its own costs procure a Geology Report of the Kuala Krai Land by a geologist of its choice and discretion to ascertain whether the Kuala Krai Land contains the minerals deposits which are commercially feasible for mining and/or satisfy the quality requirements for JTSB's purposes.
- iv. Subject to JTSB being satisfied with the Geology Report, JTSB shall commence the Mining Operations within six (6) months from the date of the issuance of the operational mining scheme approved under the Mineral Development Act 1994 by the relevant authority ("**OMS**").

**FURTHER INFORMATION ON THE S&P CONTRACT, ADDENDUM 1, ADDENDUM 2, MINING AGREEMENT, DISTRIBUTION AGREEMENT AND COLLABORATION AGREEMENT (Cont'd)**

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- v. SMRSB shall allow JTSB to carry out the Mining Operations solely and exclusively on the Kuala Krai Land during the continuance of the Mining Agreement and shall not in addition to JTSB, appoint any other person to conduct any mining operation of whatsoever nature on the Kuala Krai Land.
- vi. JTSB shall bear the labour, machineries and equipment cost and expenses of the Mining Operations including the labour's and workmen's wages and other benefits including all statutory contributions being in force.
- vii. Nothing in the Mining Agreement shall obligate JTSB to invest any funds of any nature whatsoever in the exploration of, development or production of minerals on or under the Kuala Krai Land. JTSB may, at its discretion, explore, conduct geological, geochemical and geophysical investigations, sample, drill or otherwise explore for, in the manner and to the extent that JTSB, in its sole discretion, deems advisable, to locate and develop ores, minerals and metals in and on the Kuala Krai Land. JTSB may, in its sole discretion, terminate its exploration, development, mining and processing activities on the Kuala Krai Land. Only the express duties and obligations described in the Mining Agreement are binding upon JTSB, and JTSB shall have no duties or obligations, implied or otherwise, to explore for, develop or mine minerals or ores from the Kuala Krai Land.

**3.1.2 Royalty and other payments**

- i. Upon request from SMRSB, JTSB has agreed to pay to SMRSB a sum of Ringgit Malaysia One Million (RM 1,000,000-00) only (hereinafter referred to as "**Deposit 1**") upon the execution of the Mining Agreement as a deposit and advance payment of the Royalty (as defined below) due to SMRSB under the Mining Agreement, which Deposit 1 shall be utilised by SMRSB to pay the fees for the renewal of the Mining Lease to the PTG Kelantan as per the approval letter issued by PTG Kelantan ("**Approval Letter**").
- ii. JTSB shall also pay SMRSB a further sum of Ringgit Malaysia One Million (RM 1,000,000-00) only (hereinafter referred to as "**Deposit 2**") as a further deposit and advance payment of the Royalty due to SMRSB hereunder within thirty (30) days in the event JTSB is satisfied with the Geology Report which shows that the Kuala Krai Land contains minerals deposits in the quantities and quality which are, in the opinion of JTSB, commercially viable to carry out the Mining Operations.
- iii. In the event JTSB is not satisfied with the Geology Report as aforesaid, JTSB reserves the right to terminate the Mining Agreement by written notice to SMRSB and SMRSB shall refund the said Deposit 1 to JTSB within thirty (30) days from the date of termination of this Mining Agreement, failing which JTSB shall be entitled to take the forest produce and timber from the Kuala Krai Land for sale and utilise the proceeds thereof as repayment of the Deposit 1.
- iv. During the Operation Period, JTSB shall pay the following royalty or tribute for the iron ore produced from the Mining Operations by JTSB on the Kuala Krai Land:
  - (a) to SMRSB, a royalty at the rate of Ringgit Malaysia Twenty (RM20.00) per metric ton (hereinafter referred to as "**the Royalty**") which shall be paid on/before the seventh (7<sup>th</sup>) day of each month; and

**FURTHER INFORMATION ON THE S&P CONTRACT, ADDENDUM 1, ADDENDUM 2, MINING AGREEMENT, DISTRIBUTION AGREEMENT AND COLLABORATION AGREEMENT (*Cont'd*)**

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- (b) to the State of Kelantan via PTG of Kelantan, the royalty to be calculated at seven percent (7%) of the market price of the iron ore which is determined by the State Authority in accordance with the Mineral Regulations made pursuant to the Mineral Enactment 2001 of Kelantan (“**Mineral Enactment**”) (“**State Royalty**”).
- v. JTSB and SMRSB (collectively, “**Parties**”) agree that JTSB shall set-off the Royalty sums payable to SMRSB against the amounts of Deposit 1 and Deposit 2 which are deemed as advance payment of the Royalty. For avoidance of doubt, JTSB shall not make any further payment of Royalty to SMRSB until the whole amounts of Deposit 1 and Deposit 2 and shall have been deducted or set-off in full from the Royalty payable by JTSB to SMRSB.
- vi. Save for the Royalty due to SMRSB and the State Royalty, both which are payable by JTSB, SMRSB shall be responsible for all costs related to the application, obtaining, issuance, subsistence (during the Operation Period) and renewal of all relevant permits, approvals, licences and consents to be issued for the Mining Operations for the Operation Period, including but not limited to the following:
  - (a) the relevant fees to PTG Kelantan for the renewal of the Mining Lease to the PTG Kelantan as per the Approval Letter and the issuance/registration of the *Pajakan Melombong (Borang F)* of the Mineral Enactment with the renewal term of the Mining Lease duly stated therein;
  - (b) the relevant fees in respect of the OMS, Mineral Licence(s) and such other permits, approvals and/or licences to be issued to JTSB as required under the Mineral Development Act 1994, the Mineral Enactment and all relevant laws; and
  - (c) the relevant costs and fees in respect of the preparation and submission of any Environmental Impact Assessment (EIA) Report or any other impact assessment reports required by the relevant authorities including Department of Environment (DOE) (if any) for purposes of the Mining Operations,

(collectively, “**Licensing and Approval Costs**”)
- vii. The Parties agree that JTSB shall be fully reimbursed for all Licensing and Approval Costs and shall be entitled to deduct from the Royalty due to SMRSB for the reimbursement of all and any Licensing and Approval Costs.

### 3.1.3 Event of Default

- i. It is expressly agreed that the following shall be events of default (hereinafter referred to as “**SMRSB’s Event of Default**”) on the part of SMRSB:
  - (a) If an Event of Insolvency shall occur in relation to SMRSB (“**Event of Insolvency**” means in relation to a company or other corporation, the inability of the company to pay its debts, the entry into liquidation either compulsory or voluntary (except for the purposes of amalgamation or reconstruction of a solvent company), the presentation of a insolvency or winding-up by a creditor, the company entering into a composition with its creditor or a scheme of arrangement of its affairs in satisfaction of its debts, the application to the court for an administration order and appointment of a receiver or an administrative receiver, and these various event of insolvency shall wherever appropriate be interpreted in accordance and in conjunction with the relevant laws of Malaysia); or

**FURTHER INFORMATION ON THE S&P CONTRACT, ADDENDUM 1, ADDENDUM 2, MINING AGREEMENT, DISTRIBUTION AGREEMENT AND COLLABORATION AGREEMENT (Cont'd)**

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- (b) SMRSB shall default in the observance or performance of any of its obligations covenants or undertaking herein or in default of the Mineral Development Act 1994 or Mineral Enactment or any other relevant laws or any circular/directive issued by the relevant authorities and fails to remedy the breach within forty-five (45) days from the written notice from JTSB requiring the breach to be remedied; or
    - (c) The Mining Lease is revoked through no fault of JTSB.
  - ii. Upon the happening of a SMRSB's Event of Default as hereinabove:
    - (a) JTSB may seek the remedy of specific performance of the Mining Agreement including damages in additional to or in lieu thereof; or
    - (b) JTSB may forthwith terminate the Mining Agreement and claim against SMRSB for damages for breach of contract, including the refund of Deposit 1 and Deposit 2, the actual cost and expenses incurred by JTSB in carrying out the Mining Operations on the Kuala Krai Land and such general damages as may be assessed and awarded to JTSB in any dispute resolution or court.
  - iii. In the event JTSB shall breach any term or condition of the Mining Agreement or the Mineral Development Act 1994 or Mineral Enactment or any circular/directive issued by the relevant authorities, SMRSB shall be entitled to give JTSB a written notice requiring JTSB to remedy the said breach within forty-five (45) days. If after service of the said notice the breach shall continue unremedied for a period of forty-five (45) days, SMRSB shall be entitled to terminate this Mining Agreement unless the breach is remedied within the said forty-five (45) days.
  - iv. Upon the occurrence of the event of default by JTSB as hereinabove, SMRSB shall be entitled to terminate this Mining Agreement by giving a written termination notice to JTSB and any amount paid by JTSB to SMRSB shall be forfeited. JTSB shall, within the time period allowed by the authorities or six (6) months, whichever is earlier, from the date of receipt of the notice of termination complete the demolition and/or removal from the Kuala Krai Land of all portable temporary or structures, works, plant and equipment which shall have been set up or constructed at any time by JTSB and to make good all damage to the surface occasioned by the demolition and/or removal of the said structures and works, plant and equipment.

**3.1.4 Duration**

- i. The Parties agree and declare the Mining Agreement shall continue to subsist for the term of the Mining Lease and includes such further extension by PTG Kelantan and/or the Kelantan State Authority for so long as JTSB continues to conduct the Mining Operations and produces or processes minerals from the Kuala Krai Land unless terminated as provided therein.
- ii. During the subsistence of the Mining Agreement, SMRSB shall not be entitled to engage another contractor/miner to carry out any form of Mining Operations on the Kuala Krai Land.

## FURTHER INFORMATION ON THE S&P CONTRACT, ADDENDUM 1, ADDENDUM 2, MINING AGREEMENT, DISTRIBUTION AGREEMENT AND COLLABORATION AGREEMENT (*Cont'd*)

### 3.1.5 Arbitration clause

- i. All disputes or differences which shall at any time arise between the Parties concerning the Mining Agreement or its construction or effect or the rights, duties or liabilities of the Parties under it or any other matter in any way connected with or arising out of the subject matter of the Mining Agreement shall be settled under the Rules of Asian International Arbitration Centre by three arbitrators appointed in accordance with the said rules. The place of the arbitration shall be Kuala Lumpur. The language of the arbitration shall be in English.
- ii. The award rendered in any arbitration commenced shall be final and binding upon the Parties and judgment thereon may be entered in any court having jurisdiction for its enforcement. The Parties hereby renounce their right to appeal from the decision of the arbitral panel and accordingly the Parties hereby waive all of the provisions of the relevant laws which would otherwise confer on any Party the right to appeal the decisions of the arbitral panel.

### 3.1.6 Governing law

The Mining Agreement shall in all respect be governed by the laws of Malaysia and the Malaysian courts shall have jurisdiction.

### 3.2 Information on SMRSB

SMRSB is a limited company incorporated in Malaysia on 12 June 2007 with its registered address at Suite A, No. 79-3, Jalan Metro Perdana Barat 1, Taman Usahawan, Kepong, 52000 Kuala Lumpur, Wilayah Persekutuan. SMRSB's principal businesses comprise (i) general trading; (ii) manufacturing, processing, melting and mining and other related activities; (iii) logging operator and buying and selling of timber logs.

As at the LPD, SMRSB has obtained the approval for the renewal of Mining Lease in respect of the Kuala Krai Land from PTG of Kelantan for a 5-year term from 5 April 2022 to 4 April 2027.

As at the LPD, the directors of SMRSB are Azman Bin Idris and Maslinatunasrah Binti Mansor. The details of the shareholders and their shareholdings in SMRSB are as follows:

Shareholders	No. of shares	%
Azman Bin Idris	400,002	80.0
Maslinatunasrah Binti Mansor	100,000	20.0

## 4. Details of Distribution Agreement

### 4.1 Salient terms of the Distribution Agreement

The salient terms of the Distribution Agreement are as follows:

#### 4.1.1 Appointment

- i. RDMSB appoints MDSB as its sole and exclusive distributor for the distribution and sale of all dolomite and other minerals extracted from the Felda Rimba Mas Site ("**Dolomite Product**") anywhere throughout the world ("**Territory**") for the Term of Distribution Agreement (as defined below). MDSB shall have the sole and absolute discretion to distribute and sell the Dolomite Product to such party it deems fit, even customers referred to by RDMSB.

**FURTHER INFORMATION ON THE S&P CONTRACT, ADDENDUM 1, ADDENDUM 2, MINING AGREEMENT, DISTRIBUTION AGREEMENT AND COLLABORATION AGREEMENT (Cont'd)**

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- ii. MDSB shall have the right to appoint any sub-distributor or other person or entity to sell and/or distribute the Dolomite Product.
- iii. RDMSB shall not, whether directly or indirectly, during the term of the Distribution Agreement:
  - (a) deal, sell or supply the Dolomite Product to any party save and except for MDSB;
  - (b) appoint any other person to act as a distributor or agent or reseller for the Dolomite Product in the Territory; and
  - (c) supply any of the Dolomite Product to any other person, company and firm in the Territory, whether for use, sale, resale and/or any other purpose whatsoever.
- iv. RDMSB agrees, warrants, covenants and undertakes, inter alia, as follows:
  - (a) it shall pass on, transfer and transmit all information and documents pertaining to its existing and potential customers for the Dolomite Product to MDSB;
  - (b) it shall cease to sell the Dolomite Product to any party with effect from duration of the Term of Distribution Agreement. In this regard, RDMSB shall only sell the Dolomite Product to MDSB in accordance with the terms of the Distribution Agreement;
  - (c) it will at all times keep MDSB up to date on the dolomite operation, including the amount of Dolomite Product extracted and any forecasts and projections of such extraction;
  - (d) to provide MDSB with such information and documents as may be requested by MDSB including customer information, customer contracts and pricing information; and
  - (e) if requested by MDSB, to procure the assignment and/or novation of its existing customer contracts to MDSB.
  - (f) all leads and referrals for the Dolomite Product that are brought to RDMSB's attention and/or knowledge shall be passed to MDSB; and
  - (g) do all things necessary and use its best efforts to ensure that MDSB is able to smoothly contract and deal with customers for the Dolomite Product.

#### **4.1.2 Term**

The term of the Distribution Agreement shall commence from the date thereof and shall remain in force and effect for as long as the RDMSB is carrying out the dolomite operation at the Felda Rimba Mas Site ("**Term of Distribution Agreement**").

**FURTHER INFORMATION ON THE S&P CONTRACT, ADDENDUM 1, ADDENDUM 2, MINING AGREEMENT, DISTRIBUTION AGREEMENT AND COLLABORATION AGREEMENT (Cont'd)**

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**4.1.3 Supply of The Product**

- i. All purchase orders of the Dolomite Product shall be made in writing by MDSB to RDMSB who shall not be entitled to reject the purchase order and shall accept the purchase order on the terms and conditions as set out therein within one (1) day. The terms of the purchase order shall form an integral part of the terms of the Distribution Agreement. In the event of inconsistency between the terms of the Distribution Agreement and the terms of the purchase order, the terms of the purchase order shall prevail, to the extent of such inconsistency.
- ii. If MDSB shall so elect, RDMSB shall be fully liable and responsible to arrange for logistics, transportation and delivery of the Dolomite Product to the address as designated by MDSB.
- iii. RDMSB shall assume all responsibility and liability arising from, inter alia, any of the following matters (including matters incidental thereto):
  - (a) the loading and handling of the Dolomite Product;
  - (b) any failure to comply with laws, rules, convention and regulations governing loading, storage, handling and use of the Dolomite Product;
  - (c) product registration, labelling, custom clearance, compliance with applicable laws, transport & warehousing, trade spends (promotion, trading terms), sales execution, licensing, safety assessments, post-market surveillance, advertising and reporting requirements;
  - (d) all necessary payments to Koperasi Felda Rimba Mas Padang Besar Perlis Berhad, including tribute payments;
  - (e) all payments to any and all governmental, departments, agencies including Jabatan Tanah dan Galian Perlis; and
  - (f) the negligence or wilful misconduct of RDMSB, its officers, directors, employees or agents.

**4.1.4 Price & Payment**

The prices of the Dolomite Product shall be a price which shall be no more than 85% of the price for the Dolomite Product as quoted in the Dolomite Customer Contract (as defined hereinafter). During the Term of Distribution Agreement, RDMSB shall not increase the price of the Dolomite Product without prior written agreement of MDSB.

**4.1.5 Customer Contract**

- i. RDMSB acknowledges and agrees that MDSB will be entering into contracts and/or arrangements with the ultimate customers for the sale and distribution of the Product to the ultimate customers ("**Dolomite Customer Contract**").

**FURTHER INFORMATION ON THE S&P CONTRACT, ADDENDUM 1, ADDENDUM 2, MINING AGREEMENT, DISTRIBUTION AGREEMENT AND COLLABORATION AGREEMENT (Cont'd)**

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- ii. Despite RDMSB not being a party to the Dolomite Customer Contract, RDMSB acknowledges that MDSB's performance of the terms and conditions of the Dolomite Customer Contract hinges directly on RDMSB's ability, obligation and timely performance of its obligations under the Distribution Agreement and the purchase orders. Accordingly, RDMSB agrees, covenants and undertakes that it shall be fully responsible and liable to hold MDSB harmless and fully indemnified against any and all losses, damages, costs, claims, demands, proceedings and expenses suffered by MDSB (including any and all interest, fines, penalties, judgments, settlements and attorney's fees and expenses of investigation), resulting directly or indirectly from RDMSB's acts and/or omissions (whether intentional, negligent or otherwise) under the terms of the Distribution Agreement, the purchase orders and any matters incidental thereto.

**4.1.6 Marketing of the Product**

- i. MDSB may promote and market the Dolomite Product in the Territory in such manner as it thinks fit. MDSB shall be entitled to sell and distribute the Dolomite Product to its customers at such prices as it may determine.
- ii. RDMSB shall be responsible for obtaining any license, permits and approvals for the extraction, excavation, mining and transportation of the Dolomite Product inside the Territory as well as all matters as contemplated under the Distribution Agreement and shall further bear all costs and expenses to procure and maintain the same.

**4.1.7 Termination**

- i. If a party ("**Defaulting Party**") commits or is made to be bound by any of the following (each referred to as "**Event of Default**"):
  - (a) in default or commits any breach of its obligations under the agreement and, if remediable, fails to take all necessary action to remedy such breach within fourteen (14) days after the service of notice by the non-defaulting party complaining of such breach; or
  - (b) go into liquidation or shall have a judicial manager receiver or similar officer appointed in respect of or any encumbrance taking possession of any material part of its assets and/or undertaking; or
  - (c) become insolvent; or
  - (d) have a distress or execution levied or enforced upon or taken out against any material part of its property and the same shall not be discharged within fourteen (14) days thereof,

in any such event the non-defaulting party may, without prejudice to such other rights and remedies as it may have against the other which are subsisting at the time of the Event of Default, forthwith terminate the Distribution Agreement.

- ii. MDSB shall have the right to terminate the Distribution Agreement, without affording any reasons and without any penalty whatsoever, by providing RDMSB with fourteen (14) days written notice.

**FURTHER INFORMATION ON THE S&P CONTRACT, ADDENDUM 1, ADDENDUM 2, MINING AGREEMENT, DISTRIBUTION AGREEMENT AND COLLABORATION AGREEMENT (Cont'd)**

- iii. Upon expiry or termination of the Distribution Agreement:
- (a) each party shall within seven (7) business days thereof pay to the other party all monies due and owing, arising out of or in connection with the Distribution Agreement (with interest thereon);
  - (b) in the event RDMSB has been paid any amount pursuant to a purchase order which has not been fulfilled, RDMSB shall within three (3) days, refund such amount to MDSB; and
  - (c) both parties shall not divulge or use the confidential information in connection with the Distribution Agreement without the other party's prior written consent.

**4.1.8 Governing Law & Jurisdiction**

The Distribution Agreement shall be governed by, and construed in accordance with the law of Malaysia and any dispute, controversy or claim arising out of or in connection therewith, shall be referred to and finally resolved by the Courts of Malaysia.

**4.2 Information on RDMSB**

RDMSB is a limited company incorporated in Malaysia on 3 September 2009 with its registered address at No. 128-2, Jalan Rimbunan, Raya, Laman Rimbunan, Kepong, 52100 Kuala Lumpur, Wilayah Persekutuan. RDMSB's principal business comprises processing, manufacturing, supplying and trading of all types of dolomites, metals and minerals products.

As at the LPD, RDMSB has obtained a right from Koperasi Felda Rimba Mas Padang Besar Perlis Berhad to undertake dolomite operation including to dredge, explore, excavate, extract, mine, carry away, supply, sell and deal with dolomite at the Felda Rimba Mas Site.

As at the LPD, the directors of RDMSB are as follows:

- (i) Joe Lee Wang Joo;
- (ii) Amanda Lee Leng Hui;
- (iii) Nicole Lee Leng Yi;
- (iv) Lee Pak Chong; and
- (v) Dato' Tee Wooi Keong.

As at the LPD, the details of the shareholders and their shareholdings in RDMSB are as follows:

Shareholders	No. of shares	%
Joe Lee Wang Joo	943,500	51.0
Amanda Lee Leng Hui	453,250	24.5
Nicole Lee Leng Yi	453,250	24.5

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**FURTHER INFORMATION ON THE S&P CONTRACT, ADDENDUM 1, ADDENDUM 2, MINING AGREEMENT, DISTRIBUTION AGREEMENT AND COLLABORATION AGREEMENT (Cont'd)**

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**5. Details of Collaboration Agreement**

**5.1 Salient terms of the Collaboration Agreement**

The salient terms of the Collaboration Agreement are as follows:

**5.1.1 Scope and Relationship of JTSB and MPTT**

- i. The intention of the Collaboration Agreement is for the JTSB and MPTT to establish a strategic business alliance and collaboration between the parties for the sales of the iron ore lumps with iron (Fe) content between 50% to 68% ("**Product**") to the Customer.
- ii. JTSB and MPTT believe that the collaboration to be in their mutual best interests and agree to work together in the spirit of close co-operation and reciprocity within the parameters of their respective constitutions, policies and the applicable laws to achieve the objectives of the collaboration.

**5.1.2 Collaboration**

- i. JTSB and MPTT shall collaborate to work together in good faith to procure the supply of the Product for sale (including export) to the Customer in compliance with the contracts entered with the Customer for the sale (including export) of the Product ("**Customer's Contracts**") upon the terms and conditions contained herein.
- ii. MPTT shall:
  - (a) obtain the supply of the Product or source the suppliers of the Product in compliance with the Customer's specifications;
  - (b) procure all the necessary logistics arrangements for transportation of the cargo from the stockpile to the loading port;
  - (c) procure the loading of the cargo unto the designated vessel for shipment;
  - (d) obtain and procure the requisite permits for the dealing, transportation, export and shipment of the cargo;
  - (e) procure the necessary Certificate of Quality at loading port (issued by a \*CCIC Group Company) which shows the results of quality analysis and Certificate of Weight at loading port (issued by a \*CCIC Group Company) which shows the quantity, bill of lading and all other documents required under the Customer's Contract for the provisional payment to be made (including all supporting documents required for a valid claim of payment under the letter of credit established by the Customer as payment for the Product purchased ("**Letter of Credit**").

**\*Note:** "CCIC" means China Certification & Inspection (Group) Co. Ltd of the People's Republic of China, an independent third party certification and inspection organization authorized by China State Council and is accredited by the State Administration of Quality Supervision, Inspection & Quarantine of the People's Republic of China (AQSIQ) to be a transnational organization focusing on services of inspection, survey, accreditation and testing.

"CICC Group Company" means any company or entity which is a member of the CICC Group, including C.C.I.C. (Thailand) Co., Ltd.

**FURTHER INFORMATION ON THE S&P CONTRACT, ADDENDUM 1, ADDENDUM 2, MINING AGREEMENT, DISTRIBUTION AGREEMENT AND COLLABORATION AGREEMENT (Cont'd)**

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- iii. JTSB shall provide the financial support for in the manner, amount and proportions and time to be mutually agreed by the parties ("**Prepayments**") for the costs for each order contract to procure the shipment or delivery of the cargo to the Customer. The JTSB and MPTT shall consult each other (with JTSB having the final discretion which shall be exercised after having considered the circumstances) to determine to whom and for what purpose such Prepayments will be made.
- iv. If the Letter of Credit is established in favour of MPTT, MPTT undertakes with JTSB to reimburse JTSB in full for the Prepayments made by JTSB for the shipment or delivery of the cargo. In addition, JTSB shall be entitled to profit sharing as follows for each order contract (after the full reimbursement of the Prepayments made as aforesaid) ("**JTSB's Profit Sharing Entitlement**"):
  - JTSB's Profit Sharing Entitlement: **Five percent (5%)** of total purchase price received for each order contract (after final adjustments (if any) based on the terms of the Customer's Contract).

### 5.1.3 Sale to RXAM

- i. MPTT is aware that JTSB has executed the S&P Contract with RXAM on 26 February 2022 as supplemented by Addendum 1 signed on 17 March 2022 and Addendum 2 signed on 22 June 2022 ("**RXAM-Jadem Contract**" and reference to "RXAM-Jadem Contract" is a reference to RXAM-Jadem Contract as amended, varied, novated or substituted) to sell the Product to RXAM subject to the terms and conditions contained in the RXAM-Jadem Contract, and JTSB intends to source the ship the Product to RXAM via MPTT. MPTT shall ensure that the Product comply with the amount and specifications stated in the order contract issued under the RXAM-Jadem Contract.
- ii. For so long as the Collaboration Agreement shall remain effective, the JTSB and MPTT agree that every shipment or delivery of the Product to RXAM made during the term of the Collaboration Agreement is deemed:
  - (a) to be made pursuant the agreed terms and conditions therein; and
  - (b) to be the shipment or delivery by JTSB (albeit via MPTT) to RXAM to satisfy the quantity pursuant to the RXAM-Jadem Contract by JTSB (albeit via MPTT).

### 5.1.4 Passing of Risk

All risk of loss, damage or destruction to the cargo shall be transferred to Customer in accordance with the Incoterms® 2010 as provided under the Customer's Contract.

### 5.1.5 Default

In the event:-

- i. MPTT breaches any of the terms and fails to remedy the breach within seven (7) days from the notice issued by JTSB to rectify the breach; or
- ii. MPTT fails to procure the shipment or delivery of the cargo as agreed under the Customer's Contract after JTSB has duly settled the Prepayments (except when such failure is caused by the fault of the Customer); or

**FURTHER INFORMATION ON THE S&P CONTRACT, ADDENDUM 1, ADDENDUM 2, MINING AGREEMENT, DISTRIBUTION AGREEMENT AND COLLABORATION AGREEMENT (Cont'd)**

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- iii. the Customer rejects the cargo on basis that such cargo fails to comply with the Customer's specifications or does not conform to the regulations and requirements of the country to which the Product are being exported,

then, MPTT shall be deemed to have breached the Collaboration Agreement whereupon without prejudice to any other remedy JTSB may be entitled to under the terms of the Collaboration Agreement or in law or equity, MPTT shall be liable to pay damages (direct and indirect) arising therefrom, to JTSB and shall keep JTSB fully indemnified against all loss, damages, costs, expenses and liabilities suffered by JTSB arising from including all claims made by the Customer against JTSB.

**5.1.6 Rights of Termination**

- i. Either party shall be entitled forthwith to terminate the Collaboration Agreement by written notice to the other party if:-
  - (a) that other party commits any breach of any of the provisions thereof and, in the case of a breach capable of remedy, fails to remedy the same within thirty (30) days after receipt of a written notice giving full particulars of the breach and requiring it to be remedied;
  - (b) an encumbrancer takes possession or a receiver is appointed over any of the property or assets of that other party;
  - (c) that other party makes any voluntary arrangement with its creditors or becomes subject to an administration order;
  - (d) that other party goes into liquidation (except for the purposes of amalgamation or reconstruction and in such a manner that the company resulting therefrom effectively agrees to be bound by or assume the obligations imposed on that other party under the Collaboration Agreement); or
  - (e) that other party ceases, or threatens to cease, to carry on business.
- ii. Any waiver by either party of a breach of any provision of the Collaboration Agreement shall not be considered as a waiver of any subsequent breach of the same or any other provision thereof.
- iii. The right to terminate the Collaboration Agreement given by this clause shall be without prejudice to any other right or remedy of either party in respect of the breach concerned (if any) or any other breach.
- iv. Upon the termination of the Collaboration Agreement, subject as otherwise provided herein and to any right or obligation which has accrued prior to termination, neither party shall have any further obligation to the other under the Collaboration Agreement.

**5.1.7 Term**

- i. The term of the Collaboration Agreement will commence on the date of the agreement and shall continue for an initial term of one (1) year and thereafter shall be automatically extended annually unless terminated pursuant to the provisions of Collaboration Agreement.
- ii. Either party may terminate the Collaboration Agreement at any time by giving not less than six (6) months written notice to the other party.

**FURTHER INFORMATION ON THE S&P CONTRACT, ADDENDUM 1, ADDENDUM 2, MINING AGREEMENT, DISTRIBUTION AGREEMENT AND COLLABORATION AGREEMENT (Cont'd)**

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**5.1.8 Representations, Infringements and Indemnity**

- i. MPTT represents and warrants that:
  - (a) MPTT has the right and authority to sell the Product produced from the mine(s) or the stockpile;
  - (b) at the time each cargo is loaded for shipment to the Customer, MPTT shall have good and marketable title, free and clear of all liens and encumbrances, to all Product contained in such cargo;
  - (c) MPTT has the right, authority and license to supply and ship the Product to Customer and that there are no actions, claims or other proceedings pending or otherwise made against MPTT or supplier of the Product in any way relating to the Product;
  - (d) MPTT will defend, indemnify and hold JTSB and its Customer harmless at MPTT's own expense from and against any claim, loss, damage, expense or liability, including attorney's fees, arising out of any action by a third party that is based upon a claim that the Product supplied/delivered under the Collaboration Agreement infringe or otherwise violate the property rights of any person or entity; and
  - (e) MPTT will at its own expense procure the right of the Product or replace the same so that they become non-infringing.
- ii. If MPTT does not promptly undertake its obligations under this clause and pursue them diligently and in good faith, then after thirty (30) days' notice and opportunity to cure, JTSB may take any and all actions it reasonably deems necessary to protect its interest, including the defence or settlement of any claim, at MPTT's sole cost and expense.
- iii. In no event shall either party be liable to the other party for consequential or punitive damages however and wherever arising out of, or in connection with, the Collaboration Agreement or any order contract.
- iv. Each party agrees that it has a duty to mitigate damages and covenants under the Collaboration Agreement. Each party shall use commercially reasonable efforts to minimize any damages it may incur as a result of the other party's performance or non-performance of the Collaboration Agreement.
- v. MPTT shall indemnify, defend, and hold JTSB harmless from any claims arising from an act or incident occurring up until when risk of loss to the Product purchased and sold under the Collaboration Agreement is vested in the Customer.
- vi. MPTT shall indemnify, defend, and hold JTSB harmless from and against any and all claims arising out of or resulting from the willful acts, recklessness, or negligence of MPTT or its agents or employees.
- vii. JTSB shall indemnify, defend, and hold MPTT harmless from and against any and all claims arising out of or resulting from the willful acts, recklessness, or negligence of JTSB or its employees or representatives.

**FURTHER INFORMATION ON THE S&P CONTRACT, ADDENDUM 1, ADDENDUM 2, MINING AGREEMENT, DISTRIBUTION AGREEMENT AND COLLABORATION AGREEMENT (Cont'd)**

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**5.1.9 Force Majeure**

- i. Either party shall not be liable to the other party for any delay or failure in the performance of any obligation under the Collaboration Agreement (except payment obligation) caused by act of God, blockade, war, revolution, riot, insurrection, civil commotion, lockout, strike, fire, flood, storm, earth quake or other, inclement weather conditions, unforeseen blockade of the access channel at loading port and/or discharging port, maintenance practice of the port facilities by the properly constituted port authority, government restriction, regulation or order or any other causes beyond the reasonable control of either party (the "**Affected Party**"), including any similar or other events, affecting the nominated performing vessel or relevant operations that shall be handled by the responsible party ("**Force Majeure Event**").
- ii. For the avoidance of doubt, fluctuations in the market price of the cargo or prevailing freight rates are not the Force Majeure Event.
- iii. If the Force Majeure Event continues for more than three (3) months, either party reserves the right to cancel the cargo which cannot be performed on account of the Force Majeure Event.
- iv. The Affected Party is obliged to write a notice to the other party as soon as the Force Majeure Event ceases. The performance of the Collaboration Agreement shall be resumed as soon as reasonably practicable upon the cessation of the Force Majeure Event.

**5.1.10 Law and Jurisdiction**

The Collaboration Agreement shall be governed by and construed in all respects in accordance with the laws of Singapore, and excluding any conflicts of law provisions that would require the application of the laws of any other jurisdiction.

**5.2 Information on MPTT**

MPTT is a private limited company registered in Thailand on 13 March 2001 with the principal business as iron ore exporter and has its current address at 191/5, Kanchanaphisek Road, Dokmai, Prawet, Bangkok 10250, Thailand. MPTT has a registered and paid-up capital of THB10,000,000.00. MPTT is actively involved in mining, processing, trading, and exporting iron ore.

The board of directors of MPTT are Mr. Lakakorn Chatharamanee, Dr. Prayath Nantasins and Mr. Prayath Piemongsant.

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## FURTHER INFORMATION

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### 1. RESPONSIBILITY STATEMENT

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

### 2. CONSENTS AND CONFLICT OF INTERESTS

#### 2.1 Mercury Securities

Mercury Securities, being the Principal Adviser to our Company for the Proposed Diversification, 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 it appears in this Circular.

Mercury Securities confirms that it is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as Principal Adviser to our Company for the Proposed Diversification.

#### 2.2 PROVIDENCE

PROVIDENCE, being the Independent Market Researcher for the Proposed Diversification, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the IMR Report and all references thereto in the form and context in which it appears in this Circular.

PROVIDENCE confirms that it is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as the Independent Market Researcher for the Proposed Diversification.

### 3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

#### 3.1 Material commitments

As at the LPD, our Board is not aware of any material commitments incurred or known to be incurred by our Group, which may have a material impact on the profits and/or NA of our Group.

#### 3.2 Contingent liabilities

As at the LPD, save as disclosed below, our Board confirms that there is no contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial position of our Group:

<b>Contingent liability</b>	<b>RM'000</b>
Corporate guarantees given by our Company to local banks and third parties for credit facilities granted to certain subsidiaries	9,708

## FURTHER INFORMATION (Cont'd)

### 4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, save as disclosed below, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant which has material effect in the financial position of our Group, and our Board confirms that there is no 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 business or financial position of our Group:

**Nanjing Changjiang Waterway Engineering Bureau (“Plaintiff” or “NCWEB”) against Dato’ IR. Goh Nai Kooi @ Gah Mai Kwai (“First Defendant”) and JMGB (“Second Defendant”) [Court Suit No. PA-22NCC-35-11/2019]**

JMGB is named as the Second Defendant (together with Dato’ IR. Goh Nai Kooi @ Gah Mai Kwai as the First Defendant) in the civil suit filed by Nanjing Changjiang Waterway Engineering Bureau (“**the Plaintiff**” or “**NCWEB**”) on 22 November 2019. The Plaintiff claims against JMGB for, *inter alia*: -

- (i) a declaration that JMGB, as the holding company of J.M.R. Construction Sdn Bhd\* (Company No. 55263) (“**JMR Construction**”) is liable to pay the Plaintiff the following claims arising from the arbitration award dated 22 October 2012 in favour of the Plaintiff against JMR Construction in an earlier separate arbitration proceedings between the Plaintiff and JMR Construction:
  - (a) RM29,092,052.70;
  - (b) US\$1,849,467.28;
  - (c) 5.0% p.a. interest on the above sums from 22 October 2012 until settlement;
  - (d) cost of RM364,038.00 in the arbitration proceedings; and
  - (e) costs of the case on an indemnity basis.
- (ii) an order for the First Defendant and JMGB to be jointly and severally liable for the sums in sub-paragraphs (i) (a) to (e) as abovesaid.

**Note:**

\* *JMR Construction has ceased to be a subsidiary of JMGB since 29 October 2012 as JMGB had disposed of all its entire 100.0% equity interest in JMR Construction*

On 10 February 2020, JMGB filed the Statement of Defence and two (2) interlocutory applications to strike out the Plaintiff’s Writ and Statement of Claim and for security for costs against NCWEB. On 3 March 2021, the High Court allowed JMGB’s application to strike out the Plaintiff’s Writ and Statement of Claim with costs of RM5,000.00 in JMGB’s favour, whilst dismissing the other application of JMGB for security for costs with costs of RM2,000.00 in NCWEB’s favour. Both NCWEB and JMGB appealed to the Court of Appeal against these decisions and the appeals were heard on 19 January 2022 wherein the Court of Appeal:

- (a) ruled in JMGB’s favour and ordered that NCWEB to deposit the sum of RM35,000.00 with its solicitors Messrs. Ernest Azad & Associates (“**NCWEB’s Solicitors**”) as stakeholder as security for costs for the Company within one (1) month from 19 January 2022, failing which NCWEB’s claim will be struck out (“**Unless Order for Security for Costs**”); and
- (b) allowed NCWEB’s appeal against the High Court’s decision to strike out its claim, and ordered that the case be remitted back to the High Court for a full trial with case management fixed on 26 January 2022.

Following from the Court of Appeal’s decision delivered on 19 January 2022 as described in paragraph (b) above, on 11 February 2022, JMGB filed an application for leave to appeal to the Federal Court against the Court of Appeal’s decision in paragraph (b) above. The JMGB’s said leave application was heard on 27 June 2022 by the Federal Court which did not grant the leave for JMGB’s appeal, with order for costs to NCWEB.

**FURTHER INFORMATION (Cont'd)**

On 6 April 2022, JMGB proceeded to file an application to strike out NCWEB's claim (vide Penang High Court Writ No. PA-22NCC-35-11/2019) on the grounds that NCWEB has failed to comply with the Unless Order for Security for Costs dated 19 January 2022 to deposit with NCWEB's Solicitors, the security for costs of RM35,000.00 on or before 19 February 2022 as required. On 4 August 2022, the High Court has directed the parties to file and exchange additional affidavits on or before 5 September 2022. The next case management is fixed on 5 September 2022.

Meanwhile, the High Court has tentatively fixed the dates for the full trial of the case to be heard from 3 October 2022 to 6 October 2022.

The litigation lawyers representing JMGB in the above legal action are of the view that based on the circumstances of the case, they are cautiously optimistic that JMGB will be able to defend the Plaintiff's claim and also remain cautiously optimistic that the High Court may allow JMGB's application to strike out the Plaintiff's claim.

**5. MATERIAL CONTRACTS**

Save as disclosed below, 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:

- (i) On 21 September 2020, a subsidiary of JMGB namely, Great Marvel Sdn Bhd ("**GMSB**") as landowner, entered into a joint venture agreement with a developer JSC Land Sdn Bhd ("**JSCL**") to jointly develop the land owned by GMSB held under No. Hakmilik GRN 153067 to GRN 153110, Mukim 14, Daerah Seberang Perai Selatan, Negeri Pulau Pinang measuring approximately 79,502.1654 square feet which consist of 44 individual titles into a residential housing development called "Taman Perdana Phase 3A". In consideration thereof, JSCL shall pay to GMSB, the sum of RM7,000,000.00 comprising RM4,200,000.00 in cash payment and the balance RM2,800,000.00 in cash and/or by way of contra of house units agreed between the parties as GMSB's entitlement. The joint venture agreement was subsequently terminated on 19 January 2021 by mutual agreement of the parties through exchanges of letters;
- (ii) On 1 September 2021, JMGB entered into the share sale agreement as purchaser with Dato' Sri Chong Wei Chuan, Chong Wei Liang and Dato' Khoo Yik Chou to acquire 2,000,000 ordinary shares in Total IPCO Sdn Bhd ("**TISB**") representing 100% of the issued and paid-up share capital thereof for a total cash consideration of RM2,000,000.00. The acquisition was completed on 1 September 2021;
- (iii) On 4 October 2021, TISB, a wholly owned subsidiary of JMGB, entered into the share sale agreement as purchaser with the vendors, Datuk Tan Cheng Yam, Tan Eng Hwa and Pinjam Gadai 916 Sdn Bhd to acquire 102,000 ordinary shares and 918,000 preference shares in MYK Capital Management Sdn Bhd representing 51% equity interest thereof for a cash consideration of RM1,220,000.00. The acquisition was completed on 4 October 2021;
- (iv) On 5 December 2021, JMGB entered into a Joint Venture and Shareholders' Agreement with YHL Foods Sdn Bhd ("**YHLF**") and YHL Jadem Frozen Sdn Bhd ("**YHLJF**") for purposes of the joint venture between JMGB and YHLF and their participation YHLJF as the joint venture company to undertake the business of providing services in relation to processing of frozen seafood and cold storage facilities and export, import, sales, marketing and wholesale of all types of frozen seafood ("**Frozen Seafood Business**"). YHLJF's Frozen Seafood Business will be located at the "Bio Desaru Organic Food Valley" in Kota Tinggi, Johor. The parties agree that JMGB shall hold 60% of YHLJF shares whilst YHLF shall hold 40% of YHLJF shares as their agreed proportions of interests in YHLJF. Both JMGB and YHLF agree to subscribe in the aforesaid agreed proportions for up to 6,000,000 shares and 4,000,000 shares respectively at the issue price of RM1.00 per share in the share capital of YHLJF ultimately. The Joint Venture and Shareholders' Agreement is still subsisting;

**FURTHER INFORMATION (Cont'd)**


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- (v) Concurrently with the Joint Venture and Shareholders' Agreement in item (iv) above, YHLJF entered into a Sub-Lease Agreement dated 5 December 2021 with YHL Aquatic Sdn Bhd ("**YHLA**") to sublease from YHLA, a piece of land within the Bio Desaru Organic Food Valley known as PTD 5140 HSD 34765, Mukim of Pantai Timur, District of Kota Tinggi, State of Johor measuring approximately 22781.6 square metres (5.62945596 acres) for a consideration of RM2,000,000.00 for the purpose of the construction of the integrated frozen seafood processing plant with cold storage and ancillary facilities for the Frozen Seafood Business. The sublease term shall be for the remaining period of the 20-year main lease (which had commenced from 30 September 2019) between the main lessor, Bio Desaru Sdn Bhd and YHLA plus the further 10 years' renewal period of the main lease until 29 September 2049. The Sub-Lease Agreement is still subsisting;
- (vi) On 24 December 2021, GMSB, a subsidiary of our Company, as vendor, entered into a sale and purchase agreement with JSC Land Group Sdn Bhd as purchaser, to sell a unit of single storey shophouse bearing assessment address No. 2, Jalan Perdana, Taman Perdana, 14100 Simpang Ampat, Seberang Perai Selatan, Penang erected on Lot 20522, Mukim 14, Daerah Seberang Perai Selatan, Penang held under Geran No. 162531 for a cash consideration of RM1,600,000.00. The disposal was completed on 8 June 2022;
- (vii) On 4 February 2022, JMR Resources Sdn Bhd, a subsidiary of our Company, as vendor entered into a Sale and Purchase Agreement with GOPS Equipment Designer (M) Sdn Bhd a purchaser to sell one (1) unit of three storey shop office held under strata title Geran No. 56089/M1/1/7, Geran No. 56089/M1/2/18, Geran No. 56089/M1/3/29, all of Lot No. 3006, Mukim 06, Daerah Seberang Perai Tengah, Negeri Pulau Pinang bearing assessment address at No. 30, Jalan Nagasari 1, Taman Nagasari, 13600 Perai, Penang for a cash consideration of RM750,000.00. The disposal was completed on 7 July 2022;
- (viii) On 26 February 2022, JTSB entered into a Joint Venture Agreement with FHMSB and JFHMSB, a subsidiary of JTSB, for purposes of regulating JTSB's and FHMSB's rights as shareholders of JFHMSB as the joint venture company to undertake the business of dealing and leasing in heavy machinery, trucks, tractors, bulldozers, excavators and all other kinds of equipment and description for commercial, industrial or business use. The parties agree that JTSB shall hold 51% of JFHMSB shares whilst FHMSB shall hold 49% of JFHMSB shares as their agreed proportions of interests in JFHMSB. Both JTSB and FHMSB agree to subscribe for up to 51,000 JFHMSB shares and 49,000 JFHMSB shares respectively at the issue price of RM1.00 per share in the aforesaid agreed proportions. The Joint Venture Agreement is still subsisting;
- (ix) On 25 March 2022, Jadem EHealth Sdn Bhd ("**JEHSB**"), a subsidiary of our Company, entered into the Share Sale Agreement as purchaser with Lee Wee Keng and Ng Lee Chin (collectively, "**M7 Medics Vendors**") to acquire 180,000 ordinary shares in M7 Medics Sdn Bhd ("**M7 Medics**") representing 60% of the issued and paid-up share capital of the M7 Medics for a total cash consideration of RM600,000.00. The M7 Medics Vendors gave a profit guarantee to JEHSB guaranteeing that M7 Medics shall achieve the minimum aggregate profit after taxation ("**PAT**") of RM10,000,000.00 with a yearly PAT of not less than RM5,000,000.00 for each of the financial years ending 31 December 2022 and 31 December 2023 ("**Profit Guarantee**"). The acquisition was completed on 25 March 2022 whilst the Profit Guarantee is subsisting;
- (x) On 29 March 2022, Rantronics Sdn Bhd, a subsidiary of our Company, as vendor, entered into a Sale and Purchase Agreement with Focus Pigment Sdn Bhd a purchaser to sell a factory erected on PN 2820, Lot 8137, Mukim 12, Daerah Barat Daya, Negeri Pulau Pinang bearing assessment address Plot 285, Taman Perindustrian Bayan Lepas Fasa 3, Mk. 12, Bayan Lepas, Pulau Pinang for a cash consideration of RM5,700,000.00. The Sale and Purchase Agreement has yet to be completed as the requisite consent from the Penang Development Corporation and Penang State Authority for the sale and transfer of the property are pending;

**FURTHER INFORMATION (Cont'd)**


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- (xi) On 30 March 2022, JMR Manufacturing Sdn Bhd (“**JMRSB**”), a subsidiary of our Company, as vendor, entered into an Equipment and Machinery Sale Agreement (“**Agreement**”) with Utara Premix & Roadworks Sdn Bhd (“**UPRSB**”), a purchaser to sell the Plant & Machinery, lab equipment, wheel loader, air-conditioner, office equipment & fittings and computer systems as described in the second schedule of the Agreement which are fixed and situated at Lot 1538, Mukim 12, Daerah Seberang Perai Tengah, 14100 Bukit Mertajam, Pulau Pinang for a cash consideration of RM1,000,000.00. The Agreement was completed on 30 April 2022;
- (xii) On 21 April 2022, JEHSB, as purchaser entered into the share sale agreement (“**SSA-IWISB**”) with Bhealthy Wellness Sdn Bhd., Goh Chee Siang and Mr. Chua to acquire 7,001,000 ordinary shares in I Wellness International Sdn Bhd (“**IWISB**”) representing 100% of the issued and paid-up share capital of the company for a total cash consideration of RM7,001,000.00. The acquisition of IWISB was completed on 21 April 2022;
- (xiii) On 21 April 2022, pursuant to the SSA-IWISB in item (xii) above, JEHSB executed the Profit Guarantee Agreement with Goh Chee Siang and Mr. Chua (collectively, “**the Guarantors**”) whereby the Guarantors agreed to jointly and severally represent, warrant and give a profit guarantee to JEHSB to guarantee that the aggregate NPAT of IWISB for the period of five (5) years commencing from 1 April, 2022 shall not be less than RM10,000,000.00. “NPAT” is the net profit after tax as shall be assessed and/or confirmed by the agreed auditors to be determined in accordance with the generally accepted accounting principles and accounting standards approved by the Malaysian Accounting Standards Board, as shown in the accounts of IWISB for the relevant guaranteed year, audited and certified by the agreed auditors. The Profit Guarantee Agreement is subsisting;
- (xiv) On 29 April 2022, Jadem White Sdn. Bhd (“**JWSB**”), a subsidiary of our Company, entered into a Joint Venture and Shareholders’ Agreement with MTGT and JMTG (“**JVSA-Jadem MTG**”) for purposes of the joint venture between JWSB and MTGT and their participation in JMTG as the joint venture company, to undertake the business of property construction, construction management and property development and to have JMTG appointed as the sole and exclusive main contractor for the project scheme known as “PROJEK PERUMAHAN 1 FELDA (P1F)” (“**FELDA Project**”) to be developed on the pieces of land located in Pahang, Malaysia as more particularly described in Appendix A to the JVSA-Jadem MTG (“**FELDA Lands**”). MTGT had signed a Joint Venture Agreement dated 26 March 2018 with Lembaga Kemajuan Tanah Persekutuan, a statutory body incorporated under the Land Development Act 1956 (“**FELDA**”) to jointly develop the FELDA Project. The parties agree that JWSB shall hold 60% of JMTG shares whilst MTGT shall hold 40% of JMTG shares as their agreed proportions of interests in JMTG. Both JWSB and MTGT agree to subscribe for up to 60,000 JMTG shares and 40,000 JMTG shares respectively at the issue price of RM1.00 per share as their agreed proportions. The JVSA-Jadem MTG is still subsisting;
- (xv) Concurrently with the JVSA-Jadem MTG above, JMTG entered into a Master Agreement dated 29 April 2022 with MTGT for the appointment of JMTG as the sole and exclusive main contractor for the entire FELDA Project and for the entitlement of JMTG in the sharing of net development profits for each specific development comprised in the FELDA Project at the mutually agreed ratio of 70% of the net development profits. The Master Agreement is still subsisting; and
- (xvi) On 10 May 2022, JMRSB, as vendor entered into a Sale of Inventories Agreement (“**SIA**”) with UPRSB a purchaser to sell the Inventories as described in the second schedule of the SIA which are situated at Lot 1538, Mukim 12, Daerah Seberang Perai Tengah, 14100 Bukit Mertajam, Pulau Pinang for a final agreed cash consideration of RM527,800.00. This SIA has yet to be completed as the completion date of shall be eleven (11) months from the date thereof or upon the full settlement of Inventories cost by instalments (whichever is earlier).

**FURTHER INFORMATION (Cont'd)**

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**6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be made available for inspection at our Company's registered office at 39, Irving Road, 10400 George Town, Penang, Malaysia, during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) the Constitution of our Company;
- (ii) the audited consolidated financial statements of our Company for the FYE 31 March 2020, FYE 31 March 2021, and FYE 31 March 2022;
- (iii) the S&P Contract;
- (iv) the Addendum 1;
- (v) the Addendum 2;
- (vi) the Mining Agreement;
- (vii) the Distribution Agreement
- (viii) the Collaboration Agreement;
- (ix) the IMR Report;
- (x) the letters of consent referred to in Section 2 of this Appendix;
- (xi) the relevant cause papers for the material litigation referred to in Section 4 of this Appendix;  
and
- (xii) the material contracts referred to in Section 5 of this Appendix

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**JADE MARVEL**  
GROUP BHD

**Jade Marvel Group Berhad**

(Registration No. 200201024617 (592280-W))  
(Incorporated in Malaysia)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of Jade Marvel Group Berhad (“**JMGB**” or “**Company**”) (“**EGM**”) will be conducted on a fully virtual basis through live streaming and online remote participation via the Remote Participation and Voting (“**RPV**”) facilities hosted on the VirtualeAGM e-portal at [www.vpoll.com.my](http://www.vpoll.com.my) (Domain registration No: D1A457149) provided by AI Smartual Learning Sdn Bhd in Malaysia on Wednesday, 7 September 2022, at 11.00 a.m., or immediately after the conclusion or adjournment (as the case maybe) of the Twentieth Annual General Meeting of the Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is the later, for the purpose of considering and, if thought fit, to pass with or without modification to give effect to the following resolutions:

**ORDINARY RESOLUTION 1**

**PROPOSED DIVERSIFICATION OF JMGB AND ITS SUBSIDIARIES’ (“JMGB GROUP” OR “GROUP”) EXISTING BUSINESSES TO INCLUDE MINING, SALE AND TRADING OF IRON ORE, DOLOMITE, SAND AND OTHER MINERALS (“PROPOSED DIVERSIFICATION”)**

“**THAT** subject to the approvals of all relevant authorities and/or parties (where required) being obtained, approval be and is hereby given to the Group to diversify its existing business activities to include mining, sale and trading of iron ore, dolomite, sand and other minerals;

**AND THAT** the Board be and is hereby authorised to do all acts, deeds and things and execute all necessary documents as they may deem fit or expedient in order to carry out, finalise and give effect to the Proposed Diversification with full powers to assent to or make any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all steps as they may consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Diversification.”

**ORDINARY RESOLUTION 2**

**PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED NEW SHAREHOLDERS’ MANDATE”)**

“**THAT** approval be hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature involving the interests of directors, major shareholders or persons connected with such directors or major shareholders of the Company (“**Related Parties**”) as set out in Section 2.4 of Part B of the Circular to Shareholders dated 22 August 2022, provided that such transactions are necessary for the day-to-day operations; and undertaken in the ordinary course of business, on arm’s length basis, on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company (the “**Shareholders’ Mandate**”).

**THAT** the Shareholders’ Mandate shall take effect from this resolution and shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company following this EGM at which the Shareholders’ Mandate is passed, at which time it will lapse, unless by a resolution passed at the next AGM, the authority is renewed;

- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (“**Act**”) (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders in a general meeting;
- whichever is the earlier;

**AND THAT** the Board be and is hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders’ Mandate.”

## **BY ORDER OF THE BOARD**

**OOI YOONG YOONG (MAICSA 7020753 / SSM PC No.: 202008002042 )**

Company Secretary

Penang

22 August 2022

### **Notes:**

1. *Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at the virtual EGM using RPV facilities provided by AI Smartual Learning Sdn Bhd in Malaysia via its portal website at [www.vpoll.com.my](http://www.vpoll.com.my).*
2. *For the purpose of determining a member who shall be entitled to participate at the EGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, the Record of Depositors as at 29 August 2022. Only a member whose name appears on the Record of Depositors shall be entitled to participate the EGM or appoint proxy(ies) to participate on his/her behalf via RPV.*
3. *A member of the Company entitled to attend and vote at a meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his/her stead at the same meeting.*
4. *A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation save that the proxy must be of full age.*
5. *Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.*
6. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either: -*
  - (a) *under the corporation’s seal; or*
  - (b) *signed under the hand of an officer or attorney duly authorised.*

*In the case of (b) be supported by a certified true copy of the resolution appointing such officer or certified true copy of the power of attorney.*
7. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
8. *Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
9. *To be valid the Form of Proxy duly completed must be deposited at the Registered Office of the Company at 39 Irving Road, 10400 George Town, Pulau Pinang, Malaysia not less than forty-eight (48) hours before the time for holding the EGM or any adjournment thereof.*
10. *Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly.*
11. *Last date and time for lodging the Form of Proxy is **Monday, 5 September 2022, at 11.00 a.m.***

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**JADE MARVEL**  
GROUP BHD  
**JADE MARVEL GROUP BERHAD**

(Registration No. 200201024617 (592280-W))  
(Incorporated in Malaysia)

# FORM of PROXY

Number of shares held	
CDS account number	

I/We \_\_\_\_\_ NRIC/Passport/Company No. \_\_\_\_\_  
(Full name in block)

Tel: \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_  
(Full address and e-mail address)

BEING MEMBER(S) OF JADE MARVEL GROUP BERHAD, HEREBY APPOINT:

FULL NAME (IN BLOCK)	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
EMAIL ADDRESS	TELEPHONE NO.		
ADDRESS			

\*and/or failing him/her

FULL NAME (IN BLOCK)	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
EMAIL ADDRESS	TELEPHONE NO.		
ADDRESS			

or failing him/her, the Chairman of the Meeting, as ^my/our proxy/proxies to vote for ^me/us and on ^my/our behalf at the Extraordinary General Meeting ("EGM") of the Company which will be conducted on a fully virtual basis and entirely via remote participation and voting via the Remote Participation and Voting ("RPV") facilities hosted on the VirtualeAGM e-portal at www.vpoll.com.my (Domain registration No: D1A457149) provided by AI Smartual Learning Sdn Bhd in Malaysia on Wednesday, 7 September 2022, at 11.00 a.m., or immediately after the conclusion or adjournment (as the case maybe) of the Twentieth AGM of the Company which will be held at the same venue and on the same day at 10.00 a.m., whichever is the later.

My/our proxy/proxies is/are to vote at the EGM or at any adjournment thereof as indicated below:-

Ordinary Resolutions		For	Against
1	Proposed Diversification		
2	Proposed New Shareholders' Mandate		

Please indicated with an "X" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

Signed this ..... day of ..... 2022

\_\_\_\_\_  
Signature\*  
Member / Common Seal

Notes:

- Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at the virtual EGM using RPV facilities provided by AI Smartual Learning Sdn Bhd in Malaysia via its portal website at www.vpoll.com.my.
- For the purpose of determining a member who shall be entitled to participate at the EGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, the Record of Depositors as at 29 August 2022. Only a member whose name appears on the Record of Depositors shall be entitled to participate the EGM or appoint proxy(ies) to participate on his/her behalf via RPV.
- A member of the Company entitled to attend and vote at a meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his/her stead at the same meeting.
- A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation save that the proxy must be of full age.
- Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either: -  
(a) under the corporation's seal; or  
(b) signed under the hand of an officer or attorney duly authorised.  
In the case of (b) be supported by a certified true copy of the resolution appointing such officer or certified true copy of the power of attorney.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- To be valid the Form of Proxy duly completed must be deposited at the Registered Office of the Company at 39 Irving Road, 10400 George Town, Pulau Pinang, Malaysia not less than forty-eight (48) hours before the time for holding the EGM or any adjournment thereof.
- Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly.
- Last date and time for lodging the Form of Proxy is **Monday, 5 September 2022, at 11.00 a.m.**



Please fold across the lines and close

Affix  
Stamp

The Company Secretary  
**JADE MARVEL GROUP BERHAD**  
200201024617 (592280-W)  
(Incorporated in Malaysia)

39, Irving Road,  
10400 Georgetown, Penang,  
Malaysia.

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