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

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**PERUSAHAAN SADUR TIMAH MALAYSIA (PERSTIMA) BERHAD**

(Registration No.: 197901005687 (49971-D))

(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

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

The resolution in respect of the above proposal will be tabled as Special Business at the Forty-Fourth (“**44th**”) Annual General Meeting (“**AGM**”) of Perusahaan Sadur Timah Malaysia (Perstima) Berhad (“**Perstima**” or “**the Company**”) which to be held and conducted on a virtual basis through live streaming from the broadcast venue at Level 12, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia via the meeting platform at <https://meeting.boardroomlimited.my/> (Domain Registration Number with MYNIC – D6A357657) on Tuesday, 23 August 2022 at 2:30 p.m. or any adjournment thereof. The Notice of the 44th AGM together with the Form of Proxy will be circulated to you and the same are set out in the Annual Report of the Company for the financial year ended 31 March 2022 which are also available to be downloaded from the Company’s website together with this Circular.

As a shareholder, you are encouraged to go online, participate, and vote at the 44th AGM using the Remote Participation and Voting Facilities as the Company will be conducting its 44th AGM virtually via live webcast and online remote voting. If you wish to appoint a proxy to participate and vote on your behalf, you may deposit your Form of Proxy at the office of our Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or alternatively, you may lodge your Form of Proxy by electronic means through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com/> (for individual shareholders only) or via e-mail to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com), not less than forty-eight (48) hours before the time set for holding the 44th AGM indicated below or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from participating the 44th AGM and voting in person at the 44th AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Sunday, 21 August 2022 at 2:30 p.m.

Date and time of 44th AGM : Tuesday, 23 August 2022 at 2:30 p.m.

**This Circular is dated 25 July 2022**

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## DEFINITIONS

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Except where the context otherwise requires or where otherwise defined herein, the following terms and abbreviations shall apply throughout this Circular:-

- “Act” : Companies Act 2016, as amended from time to time and any re-enactment thereof
- “AGM” : Annual General Meeting
- “Board” : Board of Directors
- “Bursa Securities” : Bursa Malaysia Securities Berhad (200301033577 (635998-W))
- “Director(s)” : Shall have the same 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 transactions were agreed upon, a Director of the Company or any other company which is its subsidiary or holding company or a chief executive officer of the Company, its subsidiary or holding company
- “JFE Shoji” : JFE Shoji Corporation
- “JFE Shoji Group” : JFE Shoji, its subsidiary companies and associate companies, namely, JFE Shoji Steel Malaysia Sdn. Bhd., Kawarin Enterprise Pte. Ltd., PT. JFE Shoji Steel Indonesia, JFE Shoji Machinery & Materials Corporation, JFE Shoji America, LLC, JFE Shoji Australia Pty., Ltd. and JFE Shoji (Hong Kong) Ltd.
- “Listing Requirements” : Main Market Listing Requirements of Bursa Securities, as amended from time to time and any re-enactment thereof
- “Major Shareholder” : A person who has an interest or interests in one or more voting shares in the Company and the total number of issued shares of that share, or the aggregate of the total number of issued shares of those shares, is equal to or more than 10% of the aggregate of the total number of issued shares of all the voting shares of the Company; or equal to or more than 5% of the aggregate of the total number of issued shares of all the voting shares in the Company where such person is the largest shareholder of the Company or any other company which is its subsidiary or holding company 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 major shareholder of the Company as defined under Paragraph 1.01 of the Listing Requirements or any other corporation which is its subsidiary or holding company

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

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- “Major Shareholder” *(Cont'd)* : For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act 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 major shareholder of the Company (or any other corporation which is its subsidiary or holding company)
- “Person Connected” : Such person, in relation to the director or major shareholder, who falls under any one of the following categories:-
- (a) A family member of the director or major shareholder or;
  - (b) A trustee of a trust (other than a trustee for share scheme for employees or pension scheme) under which the director, major shareholder or a family member of the director or major shareholder, is the sole beneficiary;
  - (c) A partner of the director or major shareholder or a partner of a person connected with that director or major shareholder;
  - (d) A person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder;
  - (e) A person in accordance with whose directions, instructions or wishes the director or major shareholder is accustomed or is under an obligation, whether formal or informal, to act;
  - (f) A body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder;
  - (g) A body corporate or its directors whose directions, instructions or wishes the director or major shareholder is accustomed or is under an obligation, whether formal or informal, to act;
  - (h) A body corporate in which the director or major shareholder and/or persons connected with him 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
  - (i) A body corporate which is a related corporation
- “Perstima” or “Company” : Perusahaan Sadur Timah Malaysia (Perstima) Berhad (197901005687 (49971-D))

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

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“Perstima Group” or “Group”	: Perstima and its subsidiaries, namely Perstima Tin Plate Sdn. Bhd. (199501002827 (332021-M)), Perstima Utility Sdn. Bhd. (201001024714 (908580-H)), Perstima (Vietnam) Co., Ltd. and Perstima (Philippines), Inc. collectively
“Proposed Renewal of Shareholders’ Mandate”	: Proposed renewal of existing shareholders’ mandate for recurrent related party transactions of a revenue or trading nature
“PVCL”	: Perstima (Vietnam) Co., Ltd.
“Recurrent Related Party Transaction(s)” or “RRPT(s)”	: Recurrent related party transaction(s) of a revenue or trading nature of Perstima Group which are necessary for the day-to-day operations and in the ordinary course of business of Perstima Group
“Related Party(ies)”	: Director(s), major shareholder(s) and/or person(s) connected with such director(s) or major shareholder(s) who are interested in the RRPT(s)
“RM” and “sen”	: Ringgit Malaysia and sen respectively
“Share(s)”	: Ordinary share(s) in Perstima
“Shareholders’ Mandate”	: Shareholders’ Mandate pursuant to Paragraph 10.09 of the Listing Requirements for Perstima Group to enter into RRPT(s)
“TMBP”	: Tin Mill Black Plate

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

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Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa.

References to persons shall include corporations, unless otherwise specified.

All references to “you” or “your” in this Circular are to the shareholders of the Company.

Any reference in this Circular to any enactment or guidelines is a reference to that enactment or guidelines as for the time being amended or re-enacted.

Any reference to the time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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**PERUSAHAAN SADUR TIMAH MALAYSIA (PERSTIMA) BERHAD**

(Registration No.: 197901005687 (49971-D))

(Incorporated in Malaysia)

**Registered Office:**  
Suite 27-03, 27th Floor  
Menara Keck Seng  
203 Jalan Bukit Bintang  
55100 Kuala Lumpur  
Malaysia

25 July 2022

**Board of Directors:**

Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon (Independent Non-Executive Chairman)  
Hiroaki Yano (Managing Director)  
Ranko Kume (Executive Director)  
Rin Nan Yoong (Non-Independent Non-Executive Director)  
Dominic Aw Kian-Wee (Senior Independent Non-Executive Director)  
Mastura binti Mansor (Independent Non-Executive Director)  
Ab. Patah bin Mohd (Independent Non-Executive Director)  
Ho Chun Foh (Alternate Director to Rin Nan Yoong)

**To: The Shareholders of Perusahaan Sadur Timah Malaysia (Perstima) Berhad**

Dear Sir/Madam,

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

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**1. INTRODUCTION**

At the Forty-Third AGM of the Company held on 21 September 2021, the Company had obtained a general mandate from its shareholders for the Group to enter into RRPT(s) with Related Parties in the ordinary course of business based on normal commercial terms which were not more favourable to the Related Parties than those generally available to the public and were not detriment of the minority shareholders, which were necessary for Perstima Group's day-to-day operations.

In accordance with the Listing Requirements, the aforesaid mandate is subject to annual renewal and will lapse at the conclusion of the forthcoming Forty-Fourth ("44th") AGM, unless authority for its renewal is obtained from the shareholders of the Company.

## 1. INTRODUCTION *(Cont'd)*

On 27 June 2022, the Company announced to Bursa Securities its intention to seek shareholders' approval for the Proposed Renewal of Shareholders' Mandate pursuant to Paragraph 10.09 of the Listing Requirements at the forthcoming 44th AGM of the Company.

**THIS CIRCULAR SERVES TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE, TO SET OUT THE RECOMMENDATION OF THE BOARD THEREON AND TO SEEK YOUR APPROVAL FOR AN ORDINARY RESOLUTION TO BE TABLED AT THE FORTHCOMING 44TH AGM UNDER THE AGENDA OF SPECIAL BUSINESS, THE NOTICE OF WHICH IS SET OUT IN THE ANNUAL REPORT OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022.**

**SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION TO GIVE EFFECT TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AT THE FORTHCOMING 44TH AGM.**

## 2. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

In the ordinary course of business, Perstima Group has entered into certain RRPT(s) and will continue to enter into the RRPT(s) which are necessary for the day-to-day operations with different Related Parties, the particulars of which are set out in Section 3.2 of this Circular.

Accordingly, our Board proposes to renew its existing mandate from our shareholders for our Group to enter into RRPT(s) from the date of the forthcoming AGM to the next AGM pursuant to and in compliance with the conditions stated in Paragraph 10.09(2), Part E of Chapter 10 of the Listing Requirements.

Pursuant to Paragraph 10.09(2), Part E of Chapter 10 of the Listing Requirements, a listed issuer may seek its shareholders' mandate in respect of related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations such as supply of materials subject to, inter alia, the following:-

- (i) 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;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure of the aggregate value of transactions conducted during the financial period is made in the annual report where:-
  - (a) the consideration, value of assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1,000,000; or
  - (b) any one of the percentage ratios of such aggregated transactions is equal to or exceeds 1%,

whichever is the higher;



## 2. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE** *(Cont'd)*

- (iii) issuance of circular to shareholders by the Company for the shareholders' mandate;
- (iv) in a meeting to obtain shareholders' mandate, the interested Director, Major Shareholder or Persons Connected with a Director or Major Shareholder; and where it involves the interest of the Persons Connected with a Director or Major Shareholder, such Director or Major Shareholder must not vote on the resolution to approve the transactions. An interested Director or Major Shareholder must ensure that Persons Connected with him abstain from voting on the resolution approving the transactions;
- (v) the Company shall make an immediate announcement to Bursa Securities when the actual value of a RRPT entered into by the Company, exceeds the estimated value of the RRPT(s) disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement;
- (vi) the transactions are conducted on normal commercial terms;
- (vii) the transactions are not detrimental to minority shareholders; and
- (viii) the transactions are conducted on arm's length basis.

Perstima Group had obtained the approval of its shareholders to enter into the RRPT(s) at the AGM of the Company held on 21 September 2021 pursuant to Paragraph 10.09(2), Part E of the Listing Requirements.

The Shareholders' Mandate obtained on 21 September 2021 took effect from the passing of the ordinary resolution at the said AGM and will continue to be in force (unless revoked or varied by the Company in a general meeting) until the conclusion of the forthcoming AGM of the Company.

Perstima had disclosed the aggregate value of the RRPT(s) transacted during the financial year ended 31 March 2022 in its Annual Report for the said financial year.

The Company had on 27 June 2022 announced the Company's intention to renew the shareholders' mandate as described in Section 3.2 of this Circular, pursuant to Paragraph 10.09, Part E of Chapter 10 of the Listing Requirements.

The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders at the forthcoming 44th AGM, will be subject to annual review and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the forthcoming AGM, at which the Proposed Renewal of Shareholders' Mandate is passed, at which time such mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

**2. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (Cont'd)**

(c) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

Thereafter, approval from the shareholders for subsequent renewals will be sought at each subsequent AGM of the Company.

**3. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

**3.1 Class of related parties with whom the transactions will be carried out and nature of the transactions**

Perstima is principally involved in the manufacturing and sale of tinplates and the Company is the sole manufacturer of prime grade tinplate in Malaysia, a material used in various packaging products. Tinplate has wide acceptance in various product packing such as liquid milk, processed food, dry food, paint, motor oil, beer and beverage and edible oil.

The principal activities of the subsidiaries of Perstima are as follows:-

<b>Name</b>	<b>Effective Equity Interest (%)</b>	<b>Principal activities</b>
Perstima Tin Plate Sdn. Bhd.	100	The Company has not commenced business since the date of incorporation.
Perstima Utility Sdn. Bhd.	100	Generating, transmitting and selling of power and other utilities.
PVCL	100	Manufacturing and sale of prime grade electrolytic tinplates and tin free steel.
Perstima (Philippines), Inc.	100	Manufacturing and sale of prime grade electrolytic tinplates and tin free steel.

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### 3.2 Nature of RRPT(s)

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

Related Party	Nature of Transaction	#Estimated value in current Proposed Renewal of Shareholders' Mandate (RM'000)	Interested Directors, Major Shareholders and Persons Connected	Actual value transacted from preceding year's Shareholders' Mandate to 1 July 2022 (RM'000) ("Actual Value")	Estimated value as disclosed in the circular to shareholders dated 23 August 2021 (RM'000) ("Estimated Value")	Deviation where Actual Value exceeds Estimated Value by 10% or more (RM'000)
(i) JFE Group	Purchase raw materials that include TMBP from JFE Shoji	1,700,000	JFE Steel Corporation JFE Shoji	1,097,467	1,100,000	-
(ii) JFE Group	Purchase tin and a variety of chemicals; plant and machinery including spare parts from JFE Shoji Machinery & Materials Corporation and JFE Steel Corporation	6,000	JFE Steel Corporation JFE Shoji	5,038	6,000	-
	Sell timplates to JFE Shoji Group	8,500	JFE Shoji	4,673	6,500	-
	<b>Total</b>	<b>1,714,500</b>		<b>1,107,178</b>	<b>1,112,500</b>	<b>-</b>

# The estimated values in current Proposed Renewal of Shareholders' Mandate are based on the Group's expected sales for the financial year 2023

### 3.2 Nature of RRPT(s) (Cont'd)

Relationships with Related Parties:-

- (i) As at 1 July 2022, JFE Shoji holds 20,850,100 ordinary shares in Perstima, representing 16.15% of the issued share capital of Perstima.
- (ii) As at 1 July 2022, JFE Steel Corporation holds 14,495,000 ordinary shares in Perstima, representing 11.23% of the issued share capital of Perstima. Both JFE Steel Corporation and JFE Shoji are 100% owned by JFE Holdings, Inc.
- (iii) As at 1 July 2022, JFE Shoji holds 45,812 ordinary shares in Kawarin Enterprise Pte. Ltd., representing 45.8% of the issued share capital of Kawarin Enterprise Pte. Ltd.
- (iv) As at 1 July 2022, JFE Shoji holds 3,135,001 ordinary shares in JFE Shoji Steel Malaysia Sdn. Bhd., representing 28% of the issued share capital of JFE Shoji Steel Malaysia Sdn. Bhd.
- (v) As at 1 July 2022, JFE Shoji holds 219,521 ordinary shares in PT. JFE Shoji Steel Indonesia, representing 93.8% of the issued share capital of PT. JFE Shoji Steel Indonesia.
- (vi) As at 1 July 2022, JFE Shoji holds 211,232 ordinary shares in JFE Shoji Machinery & Materials Corporation, representing 86.6% of the issued share capital of JFE Shoji Machinery & Materials Corporation.
- (vii) As at 1 July 2022, JFE Shoji holds 100 ordinary shares in JFE Shoji America, LLC, representing 100% of the issued share capital of JFE Shoji America, LLC.
- (viii) As at 1 July 2022, JFE Shoji holds 1,000,000 ordinary shares in JFE Shoji Australia Pty., Ltd., representing 100% of the issued share capital of JFE Shoji Australia Pty., Ltd.
- (ix) As at 1 July 2022, JFE Shoji holds 11,000 ordinary shares in JFE Shoji (Hong Kong) Ltd., representing 100% of the issued share capital of JFE Shoji (Hong Kong) Ltd.

Perstima has been in a business relationship with JFE Shoji since 1982. As at 1 July 2022, JFE Shoji holds 20,850,100 Perstima Shares representing 16.15% of the issued share capital of Perstima.

JFE Shoji was established on 5 January 1954 in Osaka, Japan under the name of Kawasho Corporation and assumed its present name with effect from 1 October 2004. It is currently involved in domestic sales and import/export business (including dealings between other countries) pertaining to steel, raw materials, production machinery, shipping, chemicals, fuels, electronics and lumber.

As at 1 July 2022, JFE Holdings Inc. holds 100% of the issued share capital of JFE Shoji and JFE Steel Corporation. JFE Steel Corporation also holds 14,495,000 Perstima Shares representing 11.23% of the issued share capital of Perstima. JFE Steel Corporation is therefore also a Related Party to the transactions with JFE Shoji.

### **3.3 Details of trade receivables**

There were no amounts due and owing to Perstima Group by its Related Parties pursuant to the RRPT(s) as at the financial year ended 31 March 2022.

### **3.4 Procedure for determining transaction price**

#### **3.4.1 TMBP**

The cost of TMBP constitutes approximately 80% of the production cost of tinplates and tin free steel produced by Perstima. The procedures for determining the price of TMBP are as follows:-

- (i) Perstima will obtain quotations from various sources on a quarterly basis; and
- (ii) Negotiations with shortlisted suppliers on, inter alia, of pricing will be carried out.

The purchase price of TMBP is negotiated between Perstima and the suppliers based on the prevailing market price at the time of negotiation.

#### **3.4.2 Other raw materials**

The procedures for determining the price of other raw materials are as follows:-

- (i) Perstima will obtain quotations from various sources in relation to the raw materials as and when these raw materials are required; and
- (ii) The Bid Committee of Perstima (“**Bid Committee**”) will then select the supplier based on factors such as price, quality, reliability and timing of delivery. The purchase prices of these raw materials are negotiated between Perstima and the suppliers based on the prevailing market prices at the time of negotiation. The Bid Committee consists of the senior management of the Company.

#### **3.4.3 Plant and machinery**

The procedures for determining the price of plant and machinery that the Company requires are as follows:-

- (i) Perstima will make an assessment of the required plant and machinery and will short list the possible suppliers or makers based on their technical capability to supply compatible or suitable plant and machinery as well as their past performance, if any, before a quotation is requested.
- (ii) These quotations will be reviewed and the eventual supplier will be selected based on the following factors:-
  - Technical specification compliance
  - Price
  - Quality
  - Timing of delivery

### **3.4.4 Timplates and tin free steel**

The transaction prices, terms and conditions, are determined by market forces under similar commercial terms for transactions with third parties, including any discount given for bulk purchases. Alternatively, the selling price is in accordance with the applicable industry norm.

### **3.5 Procedure to ensure that the RRPT(s) are undertaken 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**

- (a) In order to ensure that the RRPT(s) are conducted at arms' length basis and on normal commercial terms and on terms which are not more favourable to the Related Parties than those generally available to the public and are consistent with the Perstima Group's usual business practices, the management will ensure that these RRPT(s) will only be entered into after taking into consideration, inter alia, the pricing, quality of products, timing of delivery and level of service provided.

Wherever practical and/or feasible, at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services 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.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, for transactions where it is vital that confidentiality is maintained or the nature of the scope of works involve multiple service providers) then the transaction price will be reviewed and determined by the Directors who has no interest in the transaction to ensure that the RRPT(s) are not detrimental to the group.

Perstima, as an ISO 9001:2015 accredited company, has a standard procurement process to ensure the establishment of competitive and efficient purchasing policies. Perstima may, based on the following procedures, determine the terms of the RRPT(s):-

- (i) Purchasing procedures to ensure that products and materials purchased conform to the Company's requirements;
  - (ii) Suppliers evaluation to evaluate the performance of suppliers in relation to meeting the requirements of the Company;
  - (iii) Contract reviews to ensure competitiveness; and
  - (iv) Preparation of accurate and detailed contracts.
- (b) Where the RRPT is one with a value equal to or in excess of RM15,000,000.00, it will be reviewed and approved by the Directors of the Company who has no interest in the transaction. Where the RRPT is one with a value below RM15,000,000.00, it will be reviewed and approved by the Managing Director or Executive Director or the Board.

### 3.6 Statement by Audit Committee

The Audit Committee of the Company has seen and reviewed the terms of the Proposed Renewal of Shareholders' Mandate and is satisfied that the procedures for the RRPT(s) are sufficient to ensure that those transactions 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. The Audit Committee is also of the view that Perstima Group has in place adequate procedures and processes to monitor, track and identify RRPT(s) in a timely and orderly manner. The Audit Committee will review these procedures and processes at least once a year or whenever the need arises with the authority to sub-delegate such function to individuals or committees within the Company as it deems appropriate.

If the Audit Committee is not satisfied with the terms of the RRPT(s) during periodic review, then a review of the Company's standard procurement procedures will be made to ascertain whether their application and compliance are met.

The names and positions of the Audit Committee members are set out in the table below:-

<b>Name</b>	<b>Position in Audit Committee</b>
Mastura binti Mansor	Chairperson
Dato' Dr. Wee Hoe Soon @ Gooi Hoe Soon	Member
Dominic Aw Kian-Wee	Member
Rin Nan Yoong	Member

## 4. VALIDITY PERIOD

The Proposed Renewal of Shareholders' Mandate, if approved at the forthcoming AGM, will be subject to annual review and continue to be in force until:-

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

whichever is the earlier.

Disclosure will be made in accordance with the Listing Requirements in the Annual Report of the Company for the financial year ended 31 March 2022 of the breakdown of the aggregate value of the transactions conducted pursuant to the mandate during the financial year including, amongst others, the following:-

- (a) The type of the recurrent transactions made; and
- (b) The names of the related parties involved in each type of the recurrent transactions made and their relationships with Perstima Group.

## **5. RATIONALE AND BENEFIT**

### **5.1 The Proposed Renewal of Shareholders' Mandate**

The related party transactions envisaged in the Proposed Renewal of Shareholders' Mandate are in the ordinary course of business of Perstima Group and of a recurring nature. By obtaining the Proposed Renewal of Shareholders' Mandate and the renewal of the same on an annual basis, the necessity to announce and convene separate general meetings from time to time to seek shareholders' approval as and when such RRPT(s) occur would not arise. This would reduce substantial administrative expenses associated with the convening of such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

### **5.2 The benefit to Perstima Group from transacting with the Related Parties**

The RRPT(s) entered into by Perstima Group are intended to meet business needs at the best possible terms. Perstima should be able to have access to all available markets, products and services provided by all vendors including its Related Parties. JFE Shoji and JFE Shoji Group are the best among the vendors that meet the Company's requirements and have a better understanding of the Company's business needs thus providing a platform where the Company can benefit from relatively cheaper transaction costs.

## **6. APPROVALS REQUIRED**

The Proposed Renewal of Shareholders' Mandate is subject to approval to be obtained from the shareholders of the Company at the forthcoming 44th AGM.

## **7. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

The Proposed Renewal of Shareholders' Mandate is administrative in nature and is therefore not expected to have any material effects on the issued share capital, earnings, dividends, net assets, substantial shareholders and their respective shareholdings of the Company.

Nevertheless, the Proposed Renewal of Shareholders' Mandate is in relation to transactions which relate to the Perstima Group's day-to-day operations. Hence, it will impact Perstima Group's financial performance.

## **8. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

JFE Shoji and JFE Steel Corporation are the Major Shareholders of Perstima. JFE Shoji and JFE Steel Corporation shall abstain from voting, in respect of their direct interest and indirect interest on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

JFE Shoji and JFE Steel Corporation have also undertaken to ensure that the Persons Connected to them in respect of their direct and indirect shareholdings, if any, will also abstain from deliberating, approving and voting on the resolution to be tabled at the forthcoming AGM.



## **8. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS (Cont'd)**

Save for JFE Shoji and JFE Steel Corporation, none of the Directors and/or other Major Shareholders of Perstima and Persons Connected to them have any interest direct or indirect in the Proposed Renewal of Shareholders' Mandate.

## **9. DIRECTORS' RECOMMENDATION**

The Directors, having taken into consideration all aspects of the Proposed Renewal of Shareholders' Mandate, are of the opinion that the said Proposed Renewal of Shareholders' Mandate is fair and reasonable and is in the best interest of the Group and they recommend that you vote in favour of the ordinary resolution on the Proposed Renewal of Shareholders' Mandate to be tabled under the Agenda of Special Business as set out in the Notice of the AGM appearing in the Annual Report of the Company for the financial year ended 31 March 2022.

## **10. ANNUAL GENERAL MEETING**

The 44th AGM of the Company will be held and conducted on a virtual basis through live streaming from the broadcast venue at Level 12, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia via the meeting platform at <https://meeting.boardroomlimited.my/> (Domain Registration Number with MYNIC – D6A357657) on Tuesday, 23 August 2022 at 2:30 p.m., for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Renewal of Shareholders' Mandate under the Agenda of Special Business as set out in the Notice of the 44th AGM and the Form of Proxy which are available to be downloaded from the Company's website.

As a shareholder, you are encouraged to go online, participate and vote at the 44th AGM using the Remote Participation and Voting Facilities. If you wish to appoint a proxy to participate and vote on your behalf, you may deposit your Form of Proxy at the office of our Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or alternatively, you may lodge your Form of Proxy by electronic means through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com/> (for individual shareholders only) or via e-mail to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com), not less than forty-eight (48) hours before the time set for holding the 44th AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from participating the 44th AGM and voting in person at the 44th AGM if you subsequently wish to do so.

## **11. FURTHER INFORMATION**

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

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Yours faithfully  
for and on behalf of the Board of  
**PERUSAHAAN SADUR TIMAH MALAYSIA (PERSTIMA) BERHAD**

**MASTURA BINTI MANSOR**  
Independent Non-Executive Director

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**FURTHER INFORMATION**

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

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

**2. MATERIAL LITIGATIONS, CLAIMS AND ARBITRATION**

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

**3. MATERIAL CONTRACTS**

There are no material contracts (not being contracts entered into in the ordinary course of business) that have been entered into by Perstima Group during the two (2) years immediately preceding the date of this Circular.

**4. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents or copies of them are available for inspection at the registered office of Perstima at Suite 27-03, 27th Floor, Menara Keck Seng, 203 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia during ordinary business hours from Mondays to Fridays (excluding public holidays) for the period commencing from the date of this Circular to the date of the forthcoming 44th AGM of the Company:-

- (i) Constitution of Perstima; and
- (ii) Audited Financial Statements of Perstima Group for the past two (2) financial years ended 31 March 2021 and 31 March 2022.

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