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

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PCCS GROUP BERHAD

[Registration No. 199301026191 (280929-K)]
(Incorporated in Malaysia)

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF
SHARE BUY-BACK AUTHORITY**

The resolution in respect of the Proposed Renewal of Share Buy-Back Authority will be tabled as Special Business at PCCS Group Berhad’s Twenty-Ninth Annual General Meeting (“**29th AGM**”) to be held at PCCS Group Berhad’s Corporate Office, Lot 1376, GM127, Mukim Simpang Kanan, Jalan Kluang, 83000 Batu Pahat, Johor Darul Takzim on Monday, 28 August 2023 at 10:00 a.m. The Notice of the 29th AGM together with the Form of Proxy are set out in the Annual Report of PCCS Group Berhad for the financial year ended 31 March 2023.

If you are unable to attend and vote at the meeting, you may complete the Form of Proxy and deposit it at Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not later than forty-eight (48) hours before the time appointed for holding the 29th AGM. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the 29th AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Saturday, 26 August 2023 at 10:00 a.m.
Date and time of the AGM : Monday, 28 August 2023 at 10:00 a.m.

This Statement is dated 28 July 2023

DEFINITIONS

In this Statement and the accompanying appendices, the following abbreviations shall have the following meanings unless otherwise stated:-

“Act”	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
“AGM”	:	Annual General Meeting
“Board”	:	Board of Directors of PCCS
“Bursa Malaysia Securities”	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
“Code”	:	Malaysian Code on Take-Overs and Mergers, 2016, as amended from time to time and any re-enactment thereof
“Director(s)”	:	Director(s) of PCCS and shall have the meaning given in Section 2(1) of the Capital Markets and Securities Act 2007
“EPS”	:	Earnings per Share
“ESOS”	:	Employees' Share Option Scheme
“ESOS Options”	:	Options granted pursuant to the ESOS of the Company
“FYE”	:	Financial year ended / ending 31 March, as the case may be
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Malaysia Securities, as amended from time to time
“LPD”	:	Latest Practicable Date, being the latest practicable date prior to printing of this Statement, i.e. 30 June 2023
“Major Shareholder(s)”	:	Means a person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:- (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act
“NA”	:	Net assets
“PCCS” or “Company”	:	PCCS Group Berhad [Registration No. 199301026191 (280929-K)]
“PCCS Group” or “Group”	:	PCCS and its subsidiaries
“PCCS Share(s)” or “Share(s)”	:	Ordinary share(s) in PCCS

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DEFINITIONS

“Person Connected”	: In relation to any person (referred to as “ said Person ”) means such person who falls under any one of the following categories: - <ul style="list-style-type: none">(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 Renewal of Share Buy-Back Authority” or “Proposed Renewal of Share Buy-Back”	: Proposed renewal of authority for PCCS to purchase and/or hold up to 10% of its total number of issued Shares pursuant to Section 127 of the Act
“Purchased Shares”	: Shares purchased pursuant to the Proposed Renewal of Share Buy-Back Authority
“RM” and “sen”	: Ringgit Malaysia and sen respectively
“Substantial Shareholder(s)”	: Shall have the meaning given in Section 136 of the Act
“Treasury Shares”	: Shares purchased retained in treasury
“2023 Annual Report”	: Annual Report of PCCS issued for the FYE 31 March 2023

All references to “you” in this Statement are to the shareholders of the Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Statement shall be a reference to Malaysian time, unless otherwise stated.

Any discrepancies in the tables included in this Statement between the amounts listed, actual figures and the totals thereof are due to rounding.

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PCCS GROUP BERHAD

[Registration No. 199301026191 (280929-K)]
(Incorporated in Malaysia)

Registered Office:-

Lot 1376, GM 127,
Mukim Simpang Kanan,
Jalan Kluang,
83000 Batu Pahat,
Johor Darul Takzim

28 July 2023

Directors

Piong Yew Peng (*Senior Independent Non-Executive Chairman*)
Chan Wee Kiang (*Group Managing Director*)
Chan Wee Boon (*Executive Director*)
Chan Chow Tek (*Non-Independent Non-Executive Director*)
Dato' Chan Chor Ngiak (*Non-Independent Non-Executive Director*)
Chan Chor Ang (*Non-Independent Non-Executive Director*)
Joyce Wong Ai May (*Independent Non-Executive Director*)
Goh Wen Ling (*Independent Non-Executive Director*)

To: The Shareholders of PCCS

Dear Sir/Madam,

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

1.0 INTRODUCTION

On 23 June 2023, the Board had announced to Bursa Malaysia Securities that the Company proposed to seek shareholders' approval on the Proposed Renewal of Share Buy-Back Authority at the forthcoming Twenty-Ninth ("29th") AGM. The existing authority for share buy-back which was approved by the shareholders at the Twenty-Eighth ("28th") AGM of the Company held on 29 August 2022, shall in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 29th AGM, unless renewal is obtained from the shareholders of PCCS at the said AGM.

The purpose of this Statement is to provide you with relevant information in relation to the Proposed Renewal of Share Buy-Back Authority and to seek the shareholders' approval on the ordinary resolution to be tabled at the forthcoming 29th AGM.

The Company advises you to read and carefully consider the contents of this Statement before voting on the ordinary resolution in relation to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 29th AGM.

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2.0 PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

2.1 Details of the Proposed Renewal of Share Buy-Back Authority

The Board proposes to seek the approval of the shareholders of the Company for the Proposed Renewal of Share Buy-Back Authority to purchase or hold from time to time and at any time up to ten per centum (10%) of the total number of issued shares. In compliance with Section 127 of the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities, PCCS is allowed to purchase its own shares on Bursa Malaysia Securities.

The authority from shareholders, if granted, shall be effective upon the passing of the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority until: -

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

whichever occurs first ("**Proposed Authorised Period**").

2.2 Quantum

The maximum aggregate number of Shares which may be purchased and/or held by the Company shall not exceed ten per centum (10%) of the total number of issued Shares of the Company at any point of time.

As at LPD, the total number of Shares issued by the Company is 223,020,907 Shares (inclusive of 2,430,900 Treasury Shares).

Based on the minimum scenario, the Company may purchase and/or hold up to 22,302,090 PCCS Shares, representing not more than ten per centum (10%) of the existing total number of issued Shares of PCCS of 223,020,907 Shares as at the LPD, assuming none of the outstanding ESOS are exercised into new Shares.

Based on the maximum scenario, a maximum of 22,374,090 PCCS Shares may be purchased and/or held, representing ten per centum (10%) of the enlarged total number of issued Shares of PCCS of 223,740,907 Shares, assuming full exercise of the 720,000 outstanding ESOS into 720,000 new PCCS Shares.

The actual number of Shares to be purchased by PCCS pursuant to the Proposed Renewal of Share Buy-Back Authority, the total amount of funds involved for each purchase, and the timing of the purchase(s) will depend on inter-alia, the market conditions and sentiments of the share market as well as the availability of financial resources of the Company, and the availability of the retained profits of the Company.

2.3 Sources of funds

The Proposed Renewal of Share Buy-Back Authority will allow the Board to exercise the power of the Company to purchase and/or hold its own shares at any time within the Proposed Authorised Period using the internally generated funds of the Company and/or external borrowings or combination of both. The Board will ensure that no material impact on the cash flow position of PCCS if funded through internally generated funds. The Board will also ensure that PCCS has sufficient funds to repay the external borrowings and interest expenses and that the repayment will not have a material effect on the cash flow of the Company.

2.0 PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

2.3 Sources of funds (cont'd)

In addition, the Board will ensure that the Company satisfies the solvency test as stated in Section 112(2) of the Act before execution of the Proposed Renewal of Share Buy-Back Authority. The amount of the funds to be utilised would only be determined later depending on the actual number of Shares to be purchased, the availability of funds at the time of purchase(s), the market conditions, and sentiments of the share market.

In compliance with Paragraph 12.10(1) of the Listing Requirements, the maximum amount of funds to be utilised for the Proposed Renewal of Share Buy-Back shall not exceed the retained profits of PCCS based on the latest audited and unaudited financial statements. Based on the latest audited financial statements of PCCS for FYE 2023, the accumulated profits were RM5,845,680/-.

2.4 Pricing

Pursuant to Paragraph 12.17 of the Listing Requirements, the Company may only purchase its own Shares at a price which is not more than fifteen per centum (15%) above the weighted average market price of the PCCS Shares for the five (5) market days immediately before the date of the purchase(s).

Pursuant to Paragraph 12.18 of the Listing Requirements, the Company may only resell the Purchased Shares held as Treasury Shares on Bursa Malaysia Securities or transfer the Purchased Shares held as Treasury Shares pursuant to Section 127(7) of the Act at: -

- (a) a price which is not less than the weighted average market price of the PCCS Shares for the five (5) market days immediately before the resale or transfer; or
- (b) a discounted price of not more than five per centum (5%) to the weighted average market price of the PCCS Shares for the five (5) market days immediately before the resale or transfer provided that: -
 - (i) the resale or transfer takes place not earlier than thirty (30) days from the date of purchase; and
 - (ii) the resale or transfer price is not less than the cost of purchase of the PCCS Shares being resold or transferred.

2.5 Public shareholding spread

As at LPD, the public shareholding spread of the Company was 30.67%.

The Company will not undertake any share buy-back if that will result in the Company being in breach of Paragraph 8.02(1) of the Listing Requirements which requires the Company to maintain a shareholding spread of at least 25% of its total number of listed shares (excluding Treasury Shares) or such lower percentage of shareholding spread as may be allowed by Bursa Malaysia Securities in the hands of public shareholders.

2.6 Treatment of Purchased Shares

Section 127(4) of the Act allows the Company to cancel the Purchased Shares, to retain the Purchased Shares as Treasury Shares, or a combination of both. Shares that are purchased by the Company shall be deemed to be cancelled immediately on purchase unless it is held in treasury.

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2.0 PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

2.6 Treatment of Purchased Shares (cont'd)

The treatment of the Purchased Shares to be held as Treasury Shares are as follows: -

- (a) distribute the Purchased Shares as share dividends to shareholders;
- (b) resell the Purchased Shares or any of the Purchased Shares in accordance with the relevant rules of Bursa Malaysia Securities;
- (c) transfer the Purchased Shares, or any of the Purchased Shares for the purposes of or under an employees' share scheme or such other purpose as allowed under the Act;
- (d) transfer the Purchased Shares, or any of the Purchased Shares as purchase consideration; or
- (e) sell, transfer or otherwise use the Purchased Shares for such other purposes as allowed under the Act.

If such Purchased Shares are held as Treasury Shares, the rights attached to them as to voting, dividends and participation in other distributions and otherwise are suspended. In addition, the Treasury Shares shall not be taken into account in calculating the number or percentage of Shares or of a class of shares in the Company for any purpose including, without limiting the generality of the provisions in the Act or the Listing Requirements on substantial and major shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on resolutions at a meeting of the shareholders.

2.7 Rationale for the Proposed Renewal of Share Buy-Back Authority

The Proposed Renewal of Share Buy-Back Authority is expected to potentially benefit the Company and its shareholders in the following manners: -

- (a) It will provide the Company the option to return its surplus financial resources to its shareholders.
- (b) The Company is expected to stabilise the supply and demand of the Shares in the open market and thereby support its fundamental values.
- (c) If the Purchased Shares are cancelled, it would enhance the EPS of the Company and thereby, long-term and genuine investors are expected to enjoy a corresponding increase in the value of their investments in the Company.
- (d) As permitted under Section 127(4) of the Act, the Shares bought back may be held as Treasury Shares and resold on Bursa Malaysia Securities with potential gain without affecting the total number of issued Shares. Alternatively, the Shares so purchased can be distributed as share dividends to reward the shareholders of the Company, or be utilised as purchase consideration by the Company in corporate transactions such as acquisition of lands/properties/assets, thereby, reducing the financial outflow and/or preserve the working capital of the Company.

2.8 Potential advantages and disadvantages of the Proposed Renewal of Share Buy-Back Authority

The potential advantages of the Proposed Renewal of Share Buy-Back Authority to the Company and its shareholders are as follows: -

- (a) allows the Company to take preventive measures against speculation particularly when its Shares are undervalued, which would, in turn, stabilise the market price of the PCCS Shares and hence, enhance investor's confidence;
- (b) it will reduce the effects of the volatile fluctuation of the prices of Shares in the share market as well as to protect investors' confidence in PCCS;
- (c) allows the Company flexibility in attaining its desired capital structure, in terms of debt and equity composition and size of equity;

2.0 PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

2.8 Potential advantages and disadvantages of the Proposed Renewal of Share Buy-Back Authority (cont'd)

- (d) if the Purchased Shares which are retained as Treasury Shares are resold at a higher price, it will provide PCCS with opportunities for potential gains; and
- (e) if the Treasury Shares are distributed as share dividends by PCCS, it may then serve to reward the shareholders of PCCS.

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority to the Company and its shareholders are as follows: -

- (a) it will reduce the financial resources of the Group and may result in the Group foregoing better investment opportunities that may emerge in future; and
- (b) as the Proposed Renewal of Share Buy-Back can only be made out of retained profits of the Company, it may result in the reduction of financial resources available for distribution to shareholders in the immediate future.

2.9 Effects of the Proposed Renewal of Share Buy-Back Authority

The effects of the Proposed Renewal of Share Buy-Back Authority on the issued share capital of the Company, NA and working capital, earnings and EPS of the Group, dividends, convertible securities of the Company and substantial shareholders' shareholdings are based on the Minimum Scenario and Maximum Scenario as illustrated below: -

2.9.1 Issued Share capital

The effect of the Proposed Renewal of Share Buy-Back Authority on the issued share capital of PCCS will depend on whether the Purchased Shares purchased are cancelled or retained as Treasury Shares.

In the event that all the PCCS Shares purchased are to be cancelled, the effect of the Proposed Renewal of Share Buy-Back Authority on the total number of issued Shares would be as follows: -

	Minimum Scenario No. of shares	Maximum Scenario No. of shares
Total number of issued Shares as at LPD	223,020,907*	223,020,907*
	-----	-----
Assuming full exercise of ESOS	-	720,000
	-----	-----
Assuming the Proposed Renewal of Share Buy-Back is implemented in full (i.e., up to 10%)	(22,302,090)	(22,374,090)
	-----	-----
Total number of issued Shares after cancellation of Purchased Shares	200,718,817	201,366,817

Notes:

* Includes the 2,430,900 Purchased Shares that are held as Treasury Shares as at LPD.

However, the Proposed Renewal of Share Buy-Back Authority would have no effect on the total number of Issued Shares of PCCS assuming all Purchased Shares are to be retained as Treasury Shares, resold or distributed as share dividends to shareholders but the rights attaching to the Treasury Shares in relation to voting, dividends and participation in any other distributions or otherwise are suspended.

2.0 PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

2.9 Effects of the Proposed Renewal of Share Buy-Back Authority (cont'd)

2.9.2 NA per Share and working capital

The effect of the Proposed Renewal of Share Buy-Back Authority on the NA of the Group will depend on the actual number of PCCS Shares purchased, the prices paid for such PCCS Shares, the effective funding cost to the Group to finance the purchase of such PCCS Shares, if any, or any loss in interest income to the Company, and whether the Purchased Shares are cancelled or retained as Treasury Shares.

In the event that all Purchased Shares are retained as Treasury Shares, the NA of the Group would decrease by the purchase cost of the Treasury Shares because the Treasury Shares are required to be carried at cost and be offset against equity. If the Treasury Shares are subsequently cancelled or distributed as share dividends, there will be no additional effect on the NA of the Group.

The Purchased Shares that are retained as Treasury Shares and/or cancelled and/or distributed as share dividends will reduce the NA per Share if the purchase price exceeds the NA per Share, and vice versa. If the Treasury Shares are resold on Bursa Malaysia Securities, the NA of the Group would increase if the Company realised a gain from the resale, and vice versa.

The Proposed Renewal of Share Buy-Back Authority will reduce funds available for working capital of the Company and the Group, the quantum of which will depend on, amongst others, the number of PCCS Shares purchased, the purchase price(s) of PCCS Shares and any costs incurred in making the purchase.

2.9.3 Earnings and EPS

Depending on the number of PCCS Shares purchased, the prices paid for such PCCS Shares, the effective funding cost to finance the purchase of such PCCS Shares, or any loss in interest income to the Company or opportunity cost in relation to other investment opportunities, the Proposed Renewal of Share Buy-Back Authority may increase or reduce the EPS of the Group.

Assuming that PCCS Shares so purchased are retained as Treasury Shares and subsequently resold, the extent of the effects on the earnings of the Group will depend on the actual selling price, the number of Treasury Shares resold and the effective gain or the interest savings arising from the exercise. If the PCCS Shares so purchased are cancelled, the Proposed Renewal of Share Buy-Back Authority will increase the EPS of the Group provided the income forgone and interest expense incurred on the PCCS Shares purchased are less than the EPS before the share purchase.

2.9.4 Dividends

Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full and the Company's quantum of dividends is maintained at historical levels, the Proposed Renewal of Share Buy-Back Authority will have the effect of increasing the dividend rate of the Company as a result of the reduction in the issued share capital of the Company.

The Proposed Renewal of Share Buy-Back Authority may have an adverse impact on the Company's dividend, if any, as it would reduce the cash available, which may otherwise be used for dividend payment. Nonetheless, the Purchased Shares may be distributed as dividends to shareholders of the Company, if the Company so decides.

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2.0 PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

2.10 Directors' and Substantial Shareholders' shareholdings

Based on the Register of Directors' Shareholdings and Register of Substantial Shareholders as at LPD, assuming that the Proposed Renewal of Share Buy-Back Authority is implemented in full and that the Purchased Shares are from shareholders other than the Directors and substantial shareholders, the effect of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the existing Directors and substantial shareholders of PCCS are set out as below: -

Minimum Scenario

	As at LPD [^]			After Proposed Renewal of Share Buy-Back Authority *				
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<u>Substantial shareholders</u>								
CCS Capital Sdn. Bhd.	92,347,928	41.86	-	-	92,347,928	46.01	-	-
Chan Choo Sing	8,376,102	3.80	94,250,028 (1)	42.73	8,376,102	4.17	94,250,028 (1)	46.96
Tan Kwee Kee	1,902,100	0.86	100,724,030 (2)	45.66	1,902,100	0.95	100,724,030 (2)	50.18
Chan Wee Kiang	2,211,964	1.00	92,347,928 (3)	41.86	2,211,964	1.10	92,347,928 (3)	46.01
Chan Chow Tek	11,536,142	5.23	-	-	11,536,142	5.75	-	-
Federlite Holdings Sdn. Bhd.	15,776,800	7.15	-	-	15,776,800	7.86	-	-
Soh Chak Boo	702,500	0.32	15,776,800 (4)	7.15	702,500	0.35	15,776,800 (4)	7.86
Mok Puay Kang	300,000	0.14	15,776,800 (4)	7.15	300,000	0.15	15,776,800 (4)	7.86
<u>Directors</u>								
Chan Wee Boon	440,000	0.20	-	-	440,000	0.22	-	-
Dato' Chan Chor Ngiak	5,089,026	2.31	4,665 (5)	neg	5,089,026	2.54	4,665 (5)	neg
Chan Chor Ang	4,607,969	2.09	100,000 (6)	0.05	4,607,969	2.30	100,000 (6)	0.05
Piong Yew Peng	250,000	0.11	-	-	250,000	0.12	-	-
Joyce Wong Ai May	60,000	0.03	-	-	60,000	0.03	-	-
Goh Wen Ling	-	-	-	-	-	-	-	-

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2.0 PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)**2.10 Directors' and Substantial Shareholders' shareholdings (cont'd)****Maximum Scenario**

	As at LPD ^						After Proposed Renewal of Share Buy-Back Authority #					
	Direct			Indirect			Direct			Indirect		
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<u>Substantial shareholders</u>												
CCS Capital Sdn. Bhd.	92,347,928	41.86	-	-	92,347,928	45.86	92,347,928	45.86	-	-	92,347,928	-
Chan Choo Sing	8,376,102	3.80	94,250,028 (1)	42.73	8,716,102	4.33	8,716,102	4.33	94,250,028 (1)	46.81	8,716,102	46.81
Tan Kwee Kee	1,902,100	0.86	100,724,030 (2)	45.66	1,902,100	0.94	1,902,100	0.94	100,724,030 (2)	50.02	1,902,100	50.02
Chan Wee Kiang	2,211,964	1.00	92,347,928 (3)	41.86	2,551,964	1.27	2,551,964	1.27	92,347,928 (3)	45.86	2,551,964	45.86
Chan Chow Tek	11,536,142	5.23	-	-	11,536,142	5.73	11,536,142	5.73	-	-	11,536,142	-
Federlite Holdings Sdn. Bhd.	15,776,800	7.15	-	-	15,776,800	7.83	15,776,800	7.83	-	-	15,776,800	-
Soh Chak Boo	702,500	0.32	15,776,800 (4)	7.15	702,500	0.35	702,500	0.35	15,776,800 (4)	7.83	702,500	7.83
Mok Puay Kang	300,000	0.14	15,776,800 (4)	7.15	300,000	0.15	300,000	0.15	15,776,800 (4)	7.83	15,776,800 (4)	7.83
<u>Directors</u>												
Chan Wee Boon	440,000	0.20	-	-	440,000	0.22	440,000	0.22	-	-	440,000	-
Dato' Chan Chor Ngiak	5,089,026	2.31	4,665 (5)	neg	5,089,026	2.53	5,089,026	2.53	4,665 (5)	neg	5,089,026	neg
Chan Chor Ang	4,607,969	2.09	100,000 (6)	0.05	4,607,969	2.29	4,607,969	2.29	100,000 (6)	0.05	4,607,969	0.05
Piong Yew Peng	250,000	0.11	-	-	250,000	0.12	250,000	0.12	-	-	250,000	-
Joyce Wong Ai May	60,000	0.03	-	-	60,000	0.03	60,000	0.03	-	-	60,000	-
Goh Wen Ling	-	-	-	-	-	-	-	-	-	-	-	-

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2.0 PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

2.10 Directors' and Substantial Shareholders' shareholdings (cont'd)

Notes:-

- ^ Exclude the 2,430,900 Purchased Shares that are held as Treasury Shares as at LPD.
 - * Assuming that 22,302,090 Shares, being the maximum number of Shares representing up to ten per centum (10%) of the total number of issued Shares, are bought back by the Company
 - # Assuming that the ESOS are fully exercised at the point in time during the existence of the ESOS and that 22,374,090 Shares being the maximum number of Shares representing up to ten per centum (10%) of the enlarged total number of issued Shares, are bought back by the Company
- (1) Deemed interested by virtue of his spouse, Madam Tan Kwee Kee's shareholding in the Company and his direct interest of 40% in the equity of CCS Capital Sdn. Bhd.
 - (2) Deemed interested by virtue of her spouse, Mr. Chan Choo Sing's shareholding in the Company and her direct interest of 20% in the equity of CCS Capital Sdn. Bhd.
 - (3) Deemed interested by virtue of his direct interest of 30% in the equity of CCS Capital Sdn. Bhd.
 - (4) Deemed interested by virtue of the shares held by him/her in Federlite Holdings Sdn. Bhd.
 - (5) Deemed interested by virtue of his spouse, Datin Mok Gwa Nang's shareholding in the Company.
 - (6) Deemed interested by virtue of his spouse, Madam Chia Lee Kean's shareholding in the Company.

2.11 Implication of the Code

Under the Code, a Director and any person acting in concert with him or a relevant shareholder will be required to make a mandatory general offer for the remaining Shares not already owned by him/them if his/their stake in the Company is increased to beyond 33% or if his/their existing shareholding is between 33% and 50% and exceeds by another 2% in any six (6) months' period.

It is the intention of PCCS to implement the Proposed Renewal of Share Buy-Back Authority in a manner that will not result in any of the shareholders of PCCS having to undertake a mandatory offer pursuant to the Code.

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2.0 PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

2.12 Purchases, Resale, Transfer and/or Cancellation of Treasury Shares in the previous twelve (12) months

There were no purchase, resale, transfer and/or cancellation of Treasury Shares made by PCCS in the preceding twelve (12) months up to the LPD.

2.13 Historical Share prices

The monthly highest and lowest prices of PCCS Shares as traded on Bursa Malaysia Securities for the last twelve (12) months from July 2022 to June 2023 are as follows: -

Month and Year	Highest RM	Lowest RM
2022		
July	0.60	0.43
August	0.71	0.54
September	0.70	0.58
October	0.69	0.52
November	0.53	0.45
December	0.56	0.47
2023		
January	0.50	0.47
February	0.54	0.42
March	0.44	0.40
April	0.44	0.41
May	0.44	0.40
June	0.43	0.40

(Source: yahoo.com)

The last transacted price of PCCS Shares on LPD, prior to the date of printing of this statement is RM0.45.

3.0 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH DIRECTOR/MAJOR SHAREHOLDER

Save as disclosed in the Section 2.10 of this Statement, none of the Directors and/or substantial shareholders of the Company and/or persons connected to them have any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority.

4.0 DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that the above is in the best interests of the Company and therefore recommends that you vote in favour of the resolution pertaining to Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 29th AGM.

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5.0 THE 29TH AGM

The ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority is set out as a special business in the notice of 29th AGM contained in the 2023 Annual Report of the Company, which is sent to you together with this Statement. The 29th AGM of PCCS will be held at PCCS Group Berhad's Corporate Office, Lot 1376, GM127, Mukim Simpang Kanan, Jalan Kluang, 83000 Batu Pahat, Johor Darul Takzim on Monday, 28 August 2023 at 10:00 a.m.

If you are unable to attend and vote at the meeting, you may complete the Form of Proxy and deposit it at Securities Services (Holdings) Sdn. Bhd., at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not later than forty-eight (48) hours before the time appointed for holding the 29th AGM. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the 29th AGM should you subsequently wish to do so.

6.0 FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board of Directors of
PCCS GROUP BERHAD

PIONG YEW PENG
Senior Independent Non-Executive Chairman

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APPENDIX I – FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

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

2. MATERIAL CONTRACTS

PCCS Group has not entered into any material contracts (not being contracts entered into the ordinary course of business) within two (2) years immediately preceding the date of this Statement.

3. MATERIAL LITIGATION

PCCS Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, and the Directors do not have any knowledge of any proceedings, pending or threatened, against the PCCS Group or of any facts likely to give rise to any proceedings which might materially affect the business and financial position of the PCCS Group as at the date of this Statement.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of PCCS at Lot 1376, GM127, Mukim Simpang Kanan, Jalan Kluang, 83000 Batu Pahat, Johor Darul Takzim during normal business hours on Monday to Friday (except public holidays) from the date of this Statement up to and including the date of the forthcoming 29th AGM:-

- (a) Constitution of PCCS; and
- (b) Audited Financial Statements of PCCS for the FYE 2023 and FYE 2022.

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