

THIS STATEMENT 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.

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We Bring Possibilities

JF TECHNOLOGY BERHAD

[Registration No. 200601027925 (747681-H)]

(Incorporated in Malaysia)

STATEMENT TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

The above proposal will be tabled as special business at the Seventeenth Annual General Meeting (“**17th AGM**”) of JF Technology Berhad (“**Company**”) to be held at Greens III, Sports Wing, Tropicana Golf & Country Resort Berhad, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 5 December 2023 at 9:00 a.m. or any adjournment thereof. The notice of the 17th AGM, form of proxy, and this statement can be viewed and downloaded from the Company’s website at <https://www.jf-technology.com>.

If you are unable to attend and vote at the 17th AGM of the Company in person, you are requested to complete the form of proxy in accordance with the instructions contained therein and deposit it at the Company’s registered office at Level 7, Menara Milenium, Jalan Damanela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time set for holding the 17th AGM of the Company or any adjournment thereof. The lodging of the form of proxy will not preclude you from attending and voting in person at the 17th AGM of the Company should you subsequently wish to do so.

Last date and time for lodging the form of proxy	:	Sunday, 3 December 2023 at 9:00 a.m.
Date and time of the 17 th AGM	:	Tuesday, 5 December 2023 at 9:00 a.m.

This statement is dated 23 October 2023

DEFINITIONS

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

“Act”	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
“AGM”	:	Annual general meeting of the Company
“Board”	:	Board of directors of JF Tech
“Bursa Securities”	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
“Director(s)”	:	Director(s) of JF Tech and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007
“EPS”	:	Earnings per share
“JF Tech” or “Company”	:	JF Technology Berhad [Registration No. 200601027925 (747681-H)]
“Group”	:	Collectively, JF Tech and its subsidiaries
“JF Tech Share(s)” or “Share(s)”	:	Ordinary share(s) in JF Tech
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
“LPD”	:	26 September 2023, being the latest practicable date which shall not be more than thirty (30) days prior to the date of this Statement
“Person(s) Connected”	:	In relation to a Director or major shareholder (referred to as “said Person”), who falls under any one (1) of the following categories: <ul style="list-style-type: none">(i) a family member of the said Person (for the purpose of this definition, “family” means spouse, parent, child including an adopted child or stepchild, brother, sister, and the spouse of the child including an adopted child or stepchild, brother or sister);(ii) 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;(iii) a partner of the said Person;(iv) a person, or where the person is a body corporate, the body corporate or its director(s) 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;(v) a person, or where the person is a body corporate, the body corporate or its director(s), in accordance with whose directions, instructions, or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;(vi) a body corporate in which the said Person, 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(vii) a body corporate which is a related corporation (for the purpose of this definition, “related corporation” means a corporation which is the holding company of another corporation; a subsidiary of another corporation; or a subsidiary of the holding company of another corporation) of the said Person
“Proposed Renewal of Share Buy-Back: Authority”	:	Proposed renewal of authority for the Company to purchase its own shares up to ten per centum (10%) of its total number of issued shares

DEFINITIONS (CONT'D)

“Purchased Shares”	:	JF Tech Shares that have been purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back Authority
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively, being the lawful currency of Malaysia
“Rules”	:	Rules on Take-Overs, Mergers, and Compulsory Acquisitions, including any amendments that may be made from time to time
“SC”	:	Securities Commission Malaysia
“Statement”	:	Share Buy-Back Statement dated 23 October 2023
“Substantial Shareholder(s)”	:	A person who has an interest or interests in one or more voting shares in the Company and the number or the aggregate number of such shares is not less than five per centum (5%) of the total number of all the voting shares in the Company as defined under Section 136 of the Act
“Warrant(s)”	:	Warrants issued by JF Tech pursuant to the deed poll dated 30 December 2020, constituting the Warrants 2021/2026, which will expire on 23 January 2026

All references in this Statement to “we”, “us”, “our” and “ourselves” are to JF Tech and, where the context requires otherwise, to JF Tech and its subsidiaries collectively. All references to “you” in this Statement are to the shareholders of JF Tech who are entitled to attend and vote at the Seventeenth (“17th”) AGM of the Company and whose names appear in our Record of Depositors on 28 November 2023.

In this Statement, words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting any gender shall, where applicable, include all genders. Reference to persons shall also include corporations.

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.

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JF TECHNOLOGY BERHAD

[Registration No. 200601027925 (747681-H)]
(Incorporated in Malaysia)

Registered Office:

Level 7, Menara Milenium,
Jalan Damanela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan

23 October 2023

Board of Directors:

Datuk Phang Ah Tong (*Independent Non-Executive Chairman*)
Dato' Foong Wei Kuong (*Managing Director*)
Datin Wang Mei Ling (*Executive Director*)
Mr. Goh Kok Sing (*Executive Director*)
Ms. Chong Kur Sen (*Independent Non-Executive Director*)
Ms. Chua Hui Chen (*Independent Non-Executive Director*)
Puan Jamilah Binti Kamal (*Independent Non-Executive Director*)
Mr. Koay Kah Ee (*Non-Independent Non-Executive Director*)

To: The Shareholders of JF Tech

Dear Sir/Madam,

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

1.0 INTRODUCTION

At the Sixteenth ("16th") AGM of the Company held on 1 December 2022, the Company obtained its shareholders' approval to purchase its own shares up to a maximum of ten per centum (10%) of its total number of issued Shares. The said authority shall, in accordance with the Listing Requirements, expire at the conclusion of the forthcoming 17th AGM of the Company, unless authority for its renewal is obtained.

On 3 October 2023, the Board announced the intention of the Company to seek its shareholders' approval for the Proposed Renewal of Share Buy-Back Authority at the forthcoming 17th AGM of the Company.

The purpose of this Statement is to provide you with details of the Proposed Renewal of Share Buy-Back Authority, together with the Board's recommendation, and to seek your approval for the ordinary resolution thereto to be tabled at the forthcoming 17th AGM of the Company. The notice convening the 17th AGM of the Company and the form of proxy are enclosed in the Company's Annual Report 2023.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS STATEMENT BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY TO BE TABLED AT THE 17TH AGM OF THE COMPANY.

2.0 DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Board proposes to seek approval from the shareholders for the renewal of the authority to enable the Company to purchase from time to time up to ten per centum (10%) of its total number of issued Shares as quoted on Bursa Securities as at the point of purchase.

The Proposed Renewal of Share Buy-Back Authority is subject to compliance with Section 127 of the Act, the Listing Requirements, and any prevailing laws, rules, regulations, orders, guidelines, and requirements issued by the relevant authorities at the time of the purchase, including the compliance with the public shareholding spread as required by the Listing Requirements.

The authority from shareholders for the Proposed Renewal of Share Buy-Back Authority, if renewed, will be effective immediately upon the passing of the ordinary resolution to be tabled at the forthcoming 17th AGM of the Company and will continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution is passed, at which time it will lapse unless by ordinary resolution passed at the 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.

The Proposed Renewal of Share Buy-Back Authority does not impose an obligation on the Company to purchase its own shares but rather, it will allow the Board to exercise the power of the Company to purchase its own shares at any time within the abovementioned time period.

The actual number of Shares to be purchased, the total amount of funds involved for each purchase, and the funding of the purchase will depend on the market conditions and sentiments of the stock market as well as the financial resources available to the Company.

Nevertheless, the Board will ensure that the Company satisfies the solvency test as stated under Section 112(2) of the Act before executing any buy-back of its own shares.

2.1 STATUS AND TREATMENT OF TREASURY SHARES

In accordance with Section 127 of the Act, the Board may, at its discretion, deal with the Purchased Shares in the following manner:

- (a) to cancel the Purchased Shares; or
- (b) to retain the Purchased Shares as treasury shares, where such Shares are held as treasury shares, the Board may, at its discretion:
 - (i) distribute the Shares as dividends to shareholders of the Company, such dividends to be known as "share dividends";
 - (ii) resell the Shares, or any of the Shares in accordance with the relevant rules of Bursa Securities;
 - (iii) transfer the Shares, or any of the Shares for the purposes of or under an employees' share scheme;
 - (iv) transfer the Shares or any of the Shares as purchase consideration;
 - (v) cancel the Shares or any of the Shares; or
 - (vi) sell, transfer, or otherwise use the Shares for such other purposes pursuant to Section 127 of the Act; or
- (c) to retain part of the Purchased Shares as treasury shares and cancel the remainder; or
- (d) to deal in such other manner as Bursa Securities and such other relevant authorities may allow from time to time.

Appropriate announcement(s) and notice(s) will be made to Bursa Securities and the relevant authorities in respect of the Board's decision on the treatment of the Purchased Shares in compliance with the Listing Requirements and the Act. The Board may decide to cancel the Purchased Shares if the cancellation of the Purchased Shares is expected to enhance the EPS of the Group and thereby in the long-term, have a positive impact on the market price of the Shares. If the Board decides to retain the Purchased Shares as treasury shares, it may distribute the treasury shares as share dividends to the Company's shareholders and/or resell the Purchased Shares in accordance with the Listing Requirements and utilise the proceeds for any feasible investment opportunity arising in future or as working capital.

While the 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, and the treasury shares shall not be taken into account in calculating the number or percentage of shares of a class of shares in the Company for any purposes including the determination of Substantial Shareholders' shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting, and the result of a vote on resolution at a meeting of the shareholders.

2.2 QUANTUM

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

As at the LPD, the total number of issued Shares is 927,058,140 Shares.

Based on the minimum scenario, the Company may purchase and/or hold up to 92,705,814 Shares based on the total number of issued Shares of 927,058,140 as at the LPD. There are no Shares being purchased and held as treasury shares by the Company up to and including the LPD. As such, the total number of Shares that can be purchased by the Company is 92,705,814 Shares, assuming that (i) no further Shares are issued; and (ii) no outstanding Warrants are exercised by the entitled warrant holders as at the LPD.

For the avoidance of doubt, for illustrative purposes throughout this Statement including the proforma effects as disclosed in Section 4 below, we have not taken into account:

- (i) any purchase of Shares by JF Tech pursuant to the share buy-back authority approved by shareholders at the 16th AGM, after the LPD; and
- (ii) any issuance of additional Shares pursuant to Sections 75 and 76 of the Act after the LPD.

Based on the assumption of full exercise of the 458,939,370 outstanding Warrants as at the LPD into 458,939,370 new Shares (known as "**Maximum Scenario**"), a maximum of 138,599,751 Shares may be purchased and/or held, representing ten per centum (10%) of the enlarged total number of issued Shares.

The actual number of Shares to be purchased and the timing of such purchase will depend on (among others) the prevailing equity market conditions and sentiments of the stock market as well as the retained profits and financial resources available to the Company at the time of the purchase.

2.3 SOURCE OF FUNDS

The Proposed Renewal of Share Buy-Back Authority, if implemented, is expected to be financed by internally generated funds and/or bank borrowings. In the event the Company decides to utilise bank borrowings to finance the Proposed Renewal of Share Buy-Back Authority, the Board will ensure that the Company has the sufficient financial capability to repay the bank borrowings and that such repayment will not have a material impact on the cash flow of the Company.

Pursuant to the provisions of Paragraph 12.10(1) of the Listing Requirements, the maximum amount of funds to be utilised for any purchase of JF Tech Shares must not exceed the aggregate of the retained profit of the Company based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase.

Based on the audited financial statements of the Company for the financial year ended 30 June 2023, the retained profit of the Company stood at RM8,564,000.00.

Accordingly, the Board shall allocate an amount of funds which will not be more than the aggregate sum of the retained profit of the Company in respect of any purchase of JF Tech Shares pursuant to the Proposed Renewal of Share Buy-Back Authority.

2.4 PRICING

Pursuant to the provisions of Chapter 12 of the Listing Requirements, the Company may only purchase its own shares on Bursa Securities at a price which is not more than fifteen per centum (15%) above the weighted average market price of JF Tech Shares for the five (5) market days immediately preceding the date of the purchase.

In the case of a resale or transfer of treasury shares, the Company may only resell the Purchased Shares held as treasury shares on Bursa Securities or transfer the Purchased Shares at a price which is:

- (a) not less than the weighted average market price of JF Tech Shares for the five (5) market days immediately before the date of resale or transfer; or
- (b) a discounted price of not more than five per centum (5%) to the weighted average market price of JF Tech 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 JF Tech Shares being resold or transferred.

3.0 RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority would enable the Company to utilise its surplus financial resources to purchase Shares when appropriate, and at prices which the Board view as favourable. The Proposed Renewal of Share Buy-Back Authority would also enable the Company to stabilise the supply and demand of JF Tech Shares traded on Bursa Securities and thereby support its fundamental value if required.

Other things being equal, the Proposed Renewal of Share Buy-Back Authority, regardless of whether the Purchased Shares are maintained as treasury shares or cancelled, will result in a lower number of JF Tech Shares being used for the purpose of computing the EPS. Therefore, the Proposed Renewal of Share Buy-Back Authority will improve the EPS of JF Tech, which in turn is expected to have a positive impact on the market price of JF Tech Shares.

The Purchased Shares may be cancelled at such time(s) where the Directors are of the view that there is excess share capital and wish to reduce the number of Shares in circulation. If the Purchased Shares are held as treasury shares, such treasury shares may potentially be resold on Bursa Securities at a higher price and therefore realising a potential gain in reserves without affecting the total issued share capital of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

4.0 EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The effects of the Proposed Renewal of Share Buy-Back Authority on the share capital, net assets, working capital, earnings and EPS, dividend, and Directors' and Substantial Shareholders' shareholdings are set out below based on the following assumptions:

- Minimum Scenario : Assuming none of the 458,939,370 outstanding Warrants as at the LPD are exercised prior to the implementation of the Proposed Renewal of Share Buy-Back Authority.
- Maximum Scenario : Assuming all the 458,939,370 outstanding Warrants as at LPD are exercised prior to the implementation of the Proposed Renewal of Share Buy-Back Authority.

4.1 SHARE CAPITAL

The effects of the Proposed Renewal of Share Buy-Back Authority on the share capital of the Company will depend on the intention of the Board as to the treatment of the Purchased Shares.

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

	Minimum Scenario No. of Shares	Maximum Scenario No. of Shares
Total number of issued Shares as at the LPD	927,058,140	927,058,140
Assuming full exercise of the outstanding Warrants	-	458,939,370
	927,058,140	1,385,997,510
10% of the total number of Shares being purchased and cancelled	(92,705,814)	(138,599,751)
Total number of issued Shares after the Proposed Renewal of Share Buy-Back Authority	834,352,326	1,247,397,759

Nevertheless, the Proposed Renewal of Share Buy-Back Authority will have no effect on the total number of issued Shares if the Purchased Shares are retained as treasury shares, resold in the open market, or distributed to its shareholders.

4.2 NET ASSETS

The effect of the Proposed Renewal of Share Buy-Back Authority on the consolidated net assets of the Group is dependent on the number of Purchased Shares, the purchase prices of the Purchased Shares, the treatment of the Purchased Shares, and the effective funding cost to the Group to finance such purchases or any loss in interest income.

When the Company purchases its own shares, regardless of whether they are retained as treasury shares or are subsequently cancelled, the net assets per share of the Group will decrease if the cost per Share purchased exceeds the net assets per share of the Group at the time of purchase. Conversely, if the cost per Share purchased is below the net assets per share of the Group at the time of purchase, the net assets per share of the Group will increase.

In the case where the Purchased Shares are held as treasury shares and are subsequently resold on Bursa Securities, the net assets per share of the Group will increase if the Company realises a gain from the resale, and vice versa.

If the treasury shares are distributed to the shareholders as share dividends, the net assets of the Group will decrease by the cost of the treasury shares.

4.3 WORKING CAPITAL

The Proposed Renewal of Share Buy-Back Authority will reduce the working capital and cash flow of the Group, the quantum of which will depend on, amongst others, the number of Shares purchased, the purchase price(s) of the Shares and the funding cost, if any.

However, the cash flow or working capital position of the Group will be restored if the Purchased Shares are resold at least at its purchase price.

4.4 EPS

The effect of the Proposed Renewal of Share Buy-Back Authority on the EPS of the Group will depend on the number of Shares purchased, the purchase price(s) of the Shares, and the effective cost or loss in interest income and/or the opportunity cost in relation to other investment opportunities of the Group.

The Proposed Renewal of Share Buy-Back Authority may increase the EPS of the Group if the Company realises a gain from the resale. Similarly, if the Purchased Shares are treated as treasury shares and subsequently resold, the extent of the effect to the earnings of the Group will depend on the actual selling price(s), the number of treasury shares resold, and the effective gain or interest savings arising from the resale.

4.5 DIVIDEND

The Proposed Renewal of Share Buy-Back Authority is not expected to have any material effect on the dividend payments of the Company. The dividend to be declared by the Company in the future would be determined by the Board after taking into consideration the Company's solvency, the performance of the Group, and the prevailing economic conditions.

However, as stated in Sections 2 and 3 above, the Board may distribute future dividends in the form of treasury shares pursuant to the Proposed Renewal of Share Buy-Back Authority.

4.6 DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Based on the Register of Directors' Shareholdings and Register of Substantial Shareholders of the Company as at the LPD, the proforma effects of the Proposed Renewal of Share Buy-Back Authority on the direct and indirect interests of the Directors, Substantial Shareholders, and any Persons Connected to the Directors and/or Substantial Shareholders of JF Tech are illustrated below:

- | | | |
|------------------|---|--|
| Minimum Scenario | : | Assuming none of the 458,939,370 outstanding Warrants as at the LPD are exercised prior to the implementation of the Proposed Renewal of Share Buy-Back Authority. |
| Maximum Scenario | : | Assuming all the 458,939,370 outstanding Warrants as at LPD are exercised prior to the implementation of the Proposed Renewal of Share Buy-Back Authority. |

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Minimum Scenario

Directors	As at LPD						After full implementation of the Proposed Renewal of Share Buy-Back Authority					
	Direct			Indirect			Direct			Indirect		
	No. of Shares	%		No. of Shares	%		No. of Shares	%		No. of Shares	%	
Datuk Phang Ah Tong	306,664	0.03	^	5,000 ⁽¹⁾	^		306,664	0.04		5,000 ⁽¹⁾	^	
Dato' Foong Wei Kuong	219,862,088	23.72	26.97	250,000,000 ⁽²⁾	26.97		219,862,088	26.35		250,000,000 ⁽²⁾	29.96	
Datin Wang Mei Ling	39,702,580	4.28	-	-	-		39,702,580	4.76		-	-	
Goh Kok Sing	460,000	0.05	-	-	-		460,000	0.06		-	-	
Koay Kah Ee	1,550,000	0.17	-	-	-		1,550,000	0.19		-	-	
Chong Kur Sen	-	-	^	5,000 ⁽³⁾	^		-	-		5,000 ⁽³⁾	^	
Chua Hui Chen	-	-	-	-	-		-	-		-	-	
Jamilah Binti Kamal	-	-	-	-	-		-	-		-	-	
Substantial Shareholders	As at LPD						After full implementation of the Proposed Renewal of Share Buy-Back Authority					
	Direct			Indirect			Direct			Indirect		
	No. of Shares	%		No. of Shares	%		No. of Shares	%		No. of Shares	%	
Dato' Foong Wei Kuong	219,862,088	23.72	26.97	250,000,000 ⁽²⁾	26.97		219,862,088	26.35		250,000,000 ⁽²⁾	29.96	
Fowa Sdn. Bhd.	250,000,000	26.97	-	-	-		250,000,000	29.96		-	-	
Foong Wang (L) Foundation	-	-	26.97	250,000,000 ⁽⁴⁾	26.97		-	-		250,000,000 ⁽⁴⁾	29.96	

Maximum Scenario

Directors	As at LPD						After full exercise of Warrants (I)						After (I) and full implementation of the Proposed Renewal of Share Buy-Back Authority					
	Direct			Indirect			Direct			Indirect			Direct			Indirect		
	No. of Shares	%		No. of Shares	%		No. of Shares	%		No. of Shares	%		No. of Shares	%		No. of Shares	%	
Datuk Phang Ah Tong	306,664	0.03	^	5,000 ⁽¹⁾	^		459,996	0.03		5,000 ⁽¹⁾	^		459,996	0.04		5,000 ⁽¹⁾	^	
Dato' Foong Wei Kuong	219,862,088	23.72		250,000,000 ⁽²⁾	26.97		429,793,132	31.01		250,000,000 ⁽²⁾	18.04		429,793,132	34.46		250,000,000 ⁽²⁾	20.04	
Datin Wang Mei Ling	39,702,580	4.28	-	-	-		84,553,870	6.10		-	-		84,553,870	6.78		-	-	
Goh Kok Sing	460,000	0.05	-	-	-		710,000	0.05		-	-		710,000	0.06		-	-	
Koay Kah Ee	1,550,000	0.17	-	-	-		1,550,000	0.11		-	-		1,550,000	0.12		-	-	
Chong Kur Sen	-	-	^	5,000 ⁽³⁾	^		-	-		5,000 ⁽³⁾	^		-	-		5,000 ⁽³⁾	^	
Chua Hui Chen	-	-	-	-	-		-	-		-	-		-	-		-	-	
Jamilah Binti Kamal	-	-	-	-	-		-	-		-	-		-	-		-	-	
Substantial Shareholders	As at LPD						After full exercise of Warrants (I)						After (I) and full implementation of the Proposed Renewal of Share Buy-Back Authority					
	Direct			Indirect			Direct			Indirect			Direct			Indirect		
	No. of Shares	%		No. of Shares	%		No. of Shares	%		No. of Shares	%		No. of Shares	%		No. of Shares	%	
Dato' Foong Wei Kuong	219,862,088	23.72		250,000,000 ⁽²⁾	26.97		429,793,132	31.01		250,000,000 ⁽²⁾	18.04		429,793,132	34.46		250,000,000 ⁽²⁾	20.04	
Datin Wang Mei Ling	39,702,580	4.28	-	-	-		84,553,870	6.10		-	-		84,553,870	6.78		-	-	
Fowa Sdn. Bhd.	250,000,000	26.97	-	-	-		250,000,000	18.04		-	-		250,000,000	20.04		-	-	
Foong Wang (L) Foundation	-	-		250,000,000 ⁽⁴⁾	26.97		-	-		250,000,000 ⁽⁴⁾	18.04		-	-		250,000,000 ⁽⁴⁾	20.04	

Notes:

[^] Negligible

(1) Deemed interested by virtue of the shares held by his spouse, the late Datin Ng Siew Eng pursuant to Section 59(1)(c) of the Act.

(2) Deemed interested by virtue of his interest in Fowa Sdn. Bhd. and Foong Wang (L) Foundation pursuant to Section 8 of the Act.

(3) Deemed interested by virtue of the shares held by her father, Mr. Chong Chee Thung pursuant to Section 8 of the Act.

(4) Deemed interested by virtue of its interest in Fowa Sdn. Bhd. pursuant to Section 8 of the Act.

5.0 PUBLIC SHAREHOLDING SPREAD

As at the LPD, the public shareholding spread of the Company was 44.17%. JF Tech will not undertake any share buy-back if that will result in a breach of Paragraph 8.02(1) of the Listing Requirements which requires the Company to maintain a shareholding spread of at least twenty-five per centum (25%) of its total listed Shares (excluding treasury shares).

The Board is mindful of the shareholding spread requirement and will continue to be mindful of the requirement when making any purchase of JF Tech Shares.

6.0 POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Advantages

- (i) The Proposed Renewal of Share Buy-Back Authority provides the opportunity for the Company to stabilise the supply and demand of JF Tech Shares in the open market, thereby reducing the volatility of Shares and allowing the price of JF Tech Shares to better reflect its fundamental value.
- (ii) The Proposed Renewal of Share Buy-Back Authority is expected to enhance the EPS and the return on equity in the event of cancellation of the Shares bought back by the Company which will benefit its shareholders.
- (iii) The Purchased Shares can be held as treasury shares and resold in accordance with the Listing Requirements on Bursa Securities at a higher price with the intention of realising a potential gain without affecting the total number of issued Shares.
- (iv) In the event the treasury shares are distributed as share dividends to shareholders, this would serve as a reward to the shareholders of the Company.

Disadvantages

- (i) The Proposed Renewal of Share Buy-Back Authority, if implemented, would reduce the financial resources of the Group, which may result in the Group having to forgo other feasible investment opportunities that may emerge in the future or deprive the Group of the interest income that can be earned from deposits with the licensed financial institution.
- (ii) The Proposed Renewal of Share Buy-Back Authority would also reduce the amount of resources available for distribution in the form of dividends to shareholders in the future.

However, the financial resources of the Group may increase if the Purchased Shares held as treasury shares are resold in the market at prices higher than the purchase price.

Notwithstanding that, the Board will be mindful of the interests of the Company and its shareholders when undertaking the Proposed Renewal of Share Buy-Back Authority and in the subsequent resale of treasury shares on Bursa Securities. Hence, the Proposed Renewal of Share Buy-Back Authority is not expected to have any potential material disadvantage to the Company and the shareholders.

7.0 IMPLICATION OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY IN RELATION TO THE RULES

Pursuant to the Rules, a person or a group of persons acting in concert will be required to make a mandatory general offer if his/their stake(s) in the Company is/are increased to beyond thirty-three per centum (33%) of its total number of issued Shares or if his/their existing shareholding(s) is/are more than thirty-three per centum (33%) but less than fifty per centum (50%) and it exceeds by another two per centum (2%) in any six (6) months' period.

In the event that the share buy-back exercise results in the shareholdings of any of the above parties being affected, the said person or group of persons acting in concert will be obliged to make a mandatory general offer for the remaining JF Tech Shares not held by him/them. However, an exemption from a mandatory offer obligation may be granted by SC under the Rules, subject to the affected person and the parties acting in concert complying with certain conditions, if the obligation is triggered as a result of action outside their direct participation.

As it is not intended for the share buy-back exercise to trigger the obligation to undertake a mandatory general offer by any of its Substantial Shareholders and/or parties acting in concert with them, the Directors of the Company will ensure that only such number of Shares are purchased, retained as treasury shares, cancelled or distributed such that the Rules will not be triggered.

8.0 PURCHASE, RESALE, CANCELLATION, AND/OR TRANSFER OF TREASURY SHARES MADE IN THE PREVIOUS TWELVE (12) MONTHS

The Company has not made any purchase of its shares since it obtained the shareholders' mandate at the 16th AGM of the Company held on 1 December 2022 up to the date of this Statement. As at the LPD, there are no Shares being retained as treasury shares by the Company.

9.0 HISTORICAL SHARE PRICES

The monthly highest and lowest market price of JF Tech Shares as traded on Bursa Securities for the past twelve (12) months from October 2022 to September 2023 are as follows:

	High (RM)	Low (RM)
2022		
October	0.660	0.595
November	0.775	0.615
December	0.965	0.755
2023		
January	0.970	0.785
February	0.960	0.800
March	0.850	0.755
April	0.835	0.775
May	0.790	0.710
June	0.940	0.725
July	1.050	0.850
August	0.915	0.800
September	1.200	0.875

The last transacted market price of JF Tech Shares as at the LPD was RM1.11 per share.

(Source: The Wall Street Journal)

10.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save for the inadvertent proportionate increase in the percentage shareholdings and/or voting rights of the shareholders in the Company as a consequence of the Proposed Renewal of Share Buy-Back Authority, none of the Directors and/or major shareholders of the Company and/or Persons Connected with them, has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority and the subsequent resale of treasury shares, if any.

11.0 APPROVAL REQUIRED

The Proposed Renewal of Share Buy-Back Authority is subject to the approval of the shareholders at the forthcoming 17th AGM of the Company to be convened or at any adjournment thereof.

12.0 DIRECTORS' RECOMMENDATION

The Directors, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, are of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company and its shareholders. Accordingly, the Directors recommend that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 17th AGM of the Company.

13.0 FURTHER INFORMATION

You are advised to refer to **Appendix I** of this Statement for further information.

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

The Board has seen and approved the contents of this Statement, and they collectively and individually accept full responsibility for the accuracy of the information given in this Statement. The Board confirms 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 herein false or misleading.

2. MATERIAL CONTRACTS

As at the LPD, neither JF Tech nor any of its subsidiaries have entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of our Group's businesses) during the two (2) years immediately before the date of this Statement.

3. MATERIAL LITIGATIONS, CLAIMS OR ARBITRATION

As at the LPD, neither JF Tech nor any of its subsidiaries are engaged in any material litigation, claim, or arbitration, either as a plaintiff or a 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/or adversely affect the financial position or businesses of the Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the Company's Registered Office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights 50490 Kuala Lumpur, Wilayah Persekutuan during normal business hours from Monday to Fridays (except public holidays) from the date of this Statement up to and including the date of the 17th AGM of the Company:

- (a) Constitution of JF Tech; and
- (b) Audited financial statements of JF Tech for the past two (2) financial years ended 30 June 2022 and 30 June 2023.

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