

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 advisers immediately.

Bursa Malaysia Securities Berhad (“Bursa Malaysia”) takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

Bursa Malaysia has not perused the information relating to the Share Buy-Back Statement prior to its issuance, as it is prescribed as an exempt document pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Malaysia.



TAS OFFSHORE BERHAD

Registration No. 200801008892 (810179-T)
(Incorporated in Malaysia)

**STATEMENT TO SHAREHOLDERS
IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY TO
PURCHASE ITS OWN SHARES BY THE COMPANY
("PROPOSED SHARE BUY-BACK")**

The above proposal will be tabled at the 16th Annual General Meeting of the Company to be held at the Tanahmas Hotel Sibul, Lot 277, Block 5, Jalan Kampung Nyabor, 96007 Sibul, Sarawak, on Thursday, 26 October 2023 at 10.00 a.m.

The Form of Proxy should be lodged at the Registered Office of the Company at Lot 199, Jalan Sg. Ma'aw, Sungai Bidut, 96000 Sibul, Sarawak on or before the date and time indicated below. The lodging of the completed Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy: Tuesday, 24 October 2023 at 10.00 a.m.
Date and time of Annual General Meeting: Thursday, 26 October 2023 at 10.00 a.m.

This Statement is dated 27 September 2023

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Registered Office
Lot 199 Jalan Sg. Ma'aw
Sungai Bidut
96000 Sibu Sarawak
27 September 2023

Board of Directors

Datu Haji Mohammed Sepuan Bin Anu (Independent Non-Executive Chairman)
Datuk Lau Nai Hoh (Managing Director)
Lau Choo Chin (Deputy Managing Director)
Lau Choo Kuang (Non-Independent Executive Director)
Datin Patinggi Datuk Amar Hajah Jamilah Binti Haji Anu (Independent Non-Executive Director)
Ling Hang Ngee (Independent Non-Executive Director)
Yong Leh Ying (Independent Non-Executive Director)

TO THE SHAREHOLDERS OF TAS OFFSHORE BERHAD (“TAS”)

Dear Sir/Madam

PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN SHARES (“PROPOSED SHARE BUY-BACK”)

1. INTRODUCTION

At our 15th Annual General Meeting (“AGM”) held on 27 October 2022, we had obtained approval from our shareholders for the renewal of authority to purchase up to ten percent (10%) of the total issued share capital of the Company through Bursa Malaysia. In accordance with the Bursa Malaysia Listing Requirements (“Listing Requirements”), this authority will, unless revoked or varied by the Company in a General Meeting, expire at the next AGM of the Company.

On 11 September 2023, the Company announced our intention to seek approval from our shareholders for the Proposed Share Buy-Back at the forthcoming AGM of the Company which will be held on 26 October 2023.

The purpose of this Statement is to provide you with the relevant information on the Proposed Share Buy-Back and to seek your approval for the Ordinary Resolution pertaining to the renewal of authority to undertake the Proposed Share Buy-Back, which will be tabled at the forthcoming AGM.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back is subject to compliance with the Companies Act 2016, Listing Requirements and any prevailing laws and relevant regulations, rules and guidelines as may be issued by the relevant authorities at the time of purchases.

The approval from the shareholders for the Proposed Share Buy-Back shall be effective immediately upon the passing of the Ordinary Resolution for the Proposed Share Buy-Back at the forthcoming AGM 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 in General Meeting,
- whichever occurs first.

2.1 Quantum and Funding

Based on the total issued ordinary share capital of the Company as at 1 September 2023, the maximum number of TAS shares that may be purchased by the Company is 18,000,200 ordinary shares, representing ten percent (10%) of the issued ordinary share capital of the Company. The maximum number of TAS shares that may be bought back would include all TAS shares which have been previously bought back and retained as treasury shares.

A fund not exceeding the Company's retained profits at the time of purchase will be allocated for the Proposed Share Buy-Back. The audited retained profits of the Company as at 31 May 2023 was RM5,606,316.

The actual number of shares to be purchased, the total amount of funds involved for each purchase and the timing of the purchase(s) will depend on the market conditions and sentiments of the stock market as well as the availability of financial resources of the Company and the availability of the retained profit reserve of the Company.

The Proposed Share Buy-Back will be funded from internally generated funds and/or borrowings of the Company. In the event that the Proposed Share Buy-Back is to be partly financed by external borrowings, the Company expects that it will be capable of repaying such borrowings and that such funding is not expected to have any material effect on the cash flows of the Company.

2.2 Status of Shares Purchased by the Company

The treasury shares so purchased or to be purchased pursuant to the Proposed Share Buy-Back shall not be entitled to any of the rights attached to the existing TAS shares of the Company as to voting, dividends and participation in any other distribution or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number of shares or a class of shares in the Company for any purposes including, without limiting to the generality of this provisions of any law or requirements of the Constitution of the Company or the Listing Requirements on substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum and the result of a vote on a resolution at a meeting.

The Directors may deal with TAS shares in the following manner:

- (a) cancel all or part of the TAS shares so purchased; and/or
- (b) retain all or part of the TAS shares so purchased as treasury shares for distribution as dividends to the shareholders and/or resale on the market of Bursa Malaysia and/or to be subsequently cancelled.

2.3 Pricing

In accordance with the Listing Requirements, the Company may only purchase its own shares on the market of Bursa Malaysia at a price that is not more than 15% above the weighted average market price for the shares for the past five (5) market days immediately before the purchase.

The Company may only resell treasury shares on the Bursa Malaysia or transfer treasury shares pursuant to Section 127(7) of the Companies Act 2016, at:

- a) a price which is not less than the weighted average market price for the shares for the five (5) market days immediately before the resale or transfer; or
- b) a discounted price of not more than 5% to the weighted average market price for the 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 shares being resold or transferred.

2.4 Reasons and Potential Advantages and Disadvantages of the Proposed Share Buy-Back

2.4.1 Potential Advantages

The Proposed Share Buy-Back, if exercised, is expected to potentially benefit the Company and its shareholders as follows:

- (a) The Company may be able to stabilise the supply and demand of its shares in the open market and hence support its fundamental values;
- (b) Where the TAS shares are bought back and retained as treasury shares, these treasury shares can be distributed as dividends in future to reward shareholders; and
- (c) Where the TAS shares are cancelled, the shareholders of the Company may enjoy an increase in the value of their investment in the Company due to the increase in the net EPS as a result of the reduction in the issued and paid-up share capital of the Company upon cancellation of the shares.

2.4.2 Potential Disadvantages

The potential disadvantages of the Proposed Share Buy-Back are as follows:

- (a) It may reduce the financial resources of the Company and result in the Company having to forego any good investment opportunities which may emerge in the future; and
- (b) It is expected to temporarily reduce the immediate financial resources of the Company.

Nevertheless, the Proposed Share Buy-Back is not expected to have any potential material disadvantages to the Company and its shareholders, as it will be undertaken only after careful consideration of the financial resources of the Company and its resultant impact. The Board is mindful of the interest of the Company and its shareholders and will be prudent in respect of the above exercise.

2.5 Financial Effects of the Proposed Share Buy-Back

On the assumption that the Proposed Share Buy-Back is carried out in full, the effects of the Proposed Share Buy-Back on the share capital, net assets, working capital, earnings and dividends of TAS are set out below:

2.5.1 Share Capital

The Proposed Share Buy-Back will have no impact on the share capital if all of the shares purchased by the Company are held as treasury shares. The impact on the share capital of the Company if the treasury shares are subsequently cancelled will be as follows:

Issued and paid-up share capital	No. of shares
Existing share capital before cancellation of treasury shares as at 1 September 2023	180,002,000
Less: Cancellation of treasury shares <i>(Assumed maximum shares bought back and cancelled)</i>	18,000,200
Resultant share capital after cancellation	162,001,800

2.5.2 Earnings

The Proposed Share Buy-Back would generally increase the consolidated Earnings Per Share (EPS) of the Company and/or its subsidiaries ("the Group"). However, the Proposed Share Buy-Back, if exercised, is not expected to have any material effect on the EPS of the Company and/or the Group for the financial year ending 31 May 2024.

2.5.3 Net Assets

The effect of the Proposed Share Buy-Back on the Net Assets per Share of the Group is dependent on the number of TAS shares that the Company buys back, the purchase price of TAS shares at the time of purchase and the treatment of TAS shares so purchased.

The Proposed Share Buy-Back is likely to reduce the Net Assets per Share of the Group if the purchase price exceeds the audited Net Assets per Share of the Group at the time of purchase and will increase the Net Assets per Share of the Group if the purchase price is less than the audited Net Assets per Share of the Group at the relevant point of time.

2.5.4 Working Capital

The Proposed Share Buy-Back will reduce the working capital of the Group, the quantum of which depends on the number of TAS shares so purchased and the purchase prices of TAS shares. The extend of the reduction in cash flow of the Group will depend on the number of TAS shares eventually purchased and the purchase price of the shares.

The working capital and cash flow of the Group will increase upon resale of the treasury shares, the quantum of which will depend on the actual selling prices of the treasury shares and the number of treasury shares resold.

2.5.5 Dividends

Assuming the Proposed Share Buy-Back is implemented in full, the Proposed Share Buy-Back will have the effect of increasing the dividend rate of TAS as a result of the reduction in the issued and paid-up share capital of the Company.

2.6 Directors' and Substantial Shareholders' Shareholdings

The effect of the Proposed Share Buy-Back on the shareholdings of the Directors and substantial shareholders of the Company, based on the Record of Depositors, as at 1 September 2023 assuming the Proposed Share Buy-Back is carried out in full by the Company, is shown as below:

Substantial Shareholders and Directors	No. of ordinary shares held							
	Before the Proposed Share Buy-Back				After the Proposed Share Buy-Back assuming 10% of the share capital is bought back and cancelled			
	Direct		Indirect		Direct		Indirect	
Datuk Lau Nai Hoh	92,788,812	51.55%	1,292,849*	0.72%	92,788,812	57.28%	1,292,849*	0.80%
Lau Choo Chin	419,231	0.23%	41,000**	0.02%	419,231	0.26%	41,000**	0.03%
Lau Choo Kuang	20,500	0.01%	Nil	Nil	20,500	0.01%	Nil	Nil
Datu Haji Mohammed Sepuan Bin Anu	15,375	0.01%	Nil	Nil	15,375	0.01%	Nil	Nil
Datin Patinggi Datuk Amar Hajah Jamilah Binti Haji Anu	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ling Hang Ngee	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Yong Leh Ying	377,050	0.21%	Nil	Nil	377,050	0.23%	Nil	Nil

Notes:

* Deemed interested under Section 8 of the Companies Act 2016 by virtue of his spouse's and children's shareholding in the Company.

** Deemed interested under Section 8 of the Companies Act 2016 by virtue of his spouse's shareholding in the Company.

2.7 Public Shareholding Spread

The public shareholding spread of TAS as at 1 September 2023 was 46.61%. In implementing the Proposed Share Buy-Back, the Company will ensure that a minimum public shareholding spread of 25% is maintained.

2.8 Implications Relating to the Malaysian Code on Take-Overs and Mergers, 2016 ("Code")

The Proposed Share Buy-Back will not trigger any obligation to undertake a mandatory general offer under the Code.

2.9 Historical Share Price

The table sets out the monthly highest and lowest prices of TAS shares as transacted on Bursa Malaysia for the preceding twelve (12) months:

2022	High (RM)	Low (RM)
September	0.230	0.170
October	0.200	0.180
November	0.205	0.180
December	0.200	0.180
2023		
January	0.260	0.185
February	0.270	0.220
March	0.240	0.200
April	0.215	0.200
May	0.215	0.200
June	0.200	0.195
July	0.255	0.190
August	0.355	0.250
September	0.320	0.310

The last transacted market share price on 1 September 2023 being the closing price of TAS shares at the latest practicable date prior to printing of this Statement was RM0.310.

Source: Bursa Malaysia Securities Berhad (Equities Prices)

2.10 Purchase, Resale and Cancellation of Shares during the Preceding 12 Months

TAS did not purchase back any of its own shares in the preceding twelve (12) months up to 1 September 2023, being the latest practicable date prior to the printing of this Statement.

As at 1 September 2023, a total of 1,144,199 TAS shares were held as treasury shares. The Company has not resold, transferred, cancelled and/or distributed any treasury shares as dividends in the preceding twelve (12) months.

3. APPROVAL REQUIRED

The Proposed Share Buy-Back is subject to the approval of the shareholders of the Company and is subject to annual renewal.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

None of the Directors or substantial shareholders of the Company or persons connected to them has any interest, direct or indirect, in the Proposed Share Buy-Back.

5. DIRECTORS' RECOMMENDATION

The Board of Directors of TAS, having taken into consideration all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is in the best interest of the Company and its shareholders. Accordingly, the Board of Directors recommends that shareholders vote in favour of the Ordinary Resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

6. ANNUAL GENERAL MEETING

The 16th AGM will be held at Tanahmas Hotel Sibul, Lot 277, Block 5, Jalan Kampung Nyabor, 96007 Sibul, Sarawak, on Thursday, 26 October 2023 at 10.00 a.m. and any adjournment thereof for, inter alia, considering and if thought fit, approving the ordinary resolution on the Proposed Share Buy-Back as set out in the Notice of the AGM.

If you are unable to attend and vote in person at the AGM, you should complete and return the Form of Proxy enclosed in the 2023 Annual Report to the office of TAS at Lot 199, Jalan Sg. Ma'aw, Sungai Bidut, P.O.Box 920, 96008 Sibul, Sarawak as soon as possible and in any event not less than 48 hours before the time set for holding the AGM. The completion and lodgement of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

7. FURTHER INFORMATION

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

Yours faithfully
FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
TAS OFFSHORE BERHAD

Datuk Lau Nai Hoh
Managing Director

ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Directors of TAS 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 other facts, the omission of which would make any statement herein misleading.

2. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Lot 199, Jalan Sg. Ma'aw, Sungai Bidut, 96000 Sibul, Sarawak for a period of not less than two (2) weeks following the publication of this Share Buy-Back Statement.

- a.) the Constitution of TAS; and
- b.) the audited financial statements of TAS and the Group, for the two (2) financial years ended 31 May 2022 and 31 May 2023.