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**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

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

The Notice of the 7<sup>th</sup> Annual General Meeting of MMSV, to be held at Auditorium of MMS Ventures Berhad, Plot 84A, Lintang Bayan Lepas 9, Bayan Lepas Industrial Park, Phase 4, 11900 Penang on 23 June 2011 at 10.00a.m., is set out in the 2010 Annual Report of the Company which is being sent to you together with this Circular. Shareholders are advised to refer to the Notice of the 7<sup>th</sup> Annual General Meeting (under "Special Business") and the Form of Proxy, which are included in the 2010 Annual Report of the Company.

The Form of Proxy should be completed and returned in accordance with the instructions therein as soon as possible and in any event must be deposited at the Registered Office of the Company on or before the time and date indicated below, should you be unable to attend the meeting. The lodging of the 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	:	21 June 2011 at 10.00 a.m.
Date and time of the 7 <sup>th</sup> Annual General Meeting	:	23 June 2011 at 10.00 a.m.

This Circular is dated 1 June 2011

## DEFINITIONS

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

Act	- Companies Act, 1965, and any amendments thereto
ACE Market	- The ACE Market of Bursa Securities
ACE LR	- The Listing Requirements of Bursa Securities for the ACE Market including any Guidance Note(s) issued and any amendments thereto
AGM	- Annual General Meeting
AJFSB	- AJ & Family Sdn Bhd
Board	- Board of Directors of MMSV
Bursa Securities	- Bursa Malaysia Securities Berhad
Die Sets	- Precision tools and dies to perform cutting, bending, trimming and forming mainly for metal parts
Evolusys	- Evolusys Technologies (Malaysia) Sdn Bhd
Industrial Automation Systems and Machinery	- A set of machinery and equipment that are integrated to perform a series of manufacturing tasks automatically. The automated system utilises computer software to control and coordinate all the different parts, mechanisms, movements and timing of actions. Part of the automation system may incorporate robotics, vision system, sensors and conveyor transport systems to provide detection and varied movements.
Jigs and Fixtures	- Devices to hold and position a work piece as it guides, controls or limits a cutting tool
KSSB	- Kesiago Systems Sdn Bhd
MCE	- Micro Carbide Engineering Sendirian Berhad
MMSV or the Company	- MMS Ventures Berhad
MMSV Group or Group	- MMSV and its subsidiaries
MMSV Share(s)	- Ordinary share(s) of RM0.10 each in MMSV
MMS	- Micro Modular System Sdn Bhd
Major Shareholder(s)	- A person who has an interest or interests in one or more voting shares in the Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is: (a) equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in the Company; or (b) equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Company. This includes any person who is or was within the preceeding 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 company which is its subsidiary or holding company. For the purposes of this definition, "interest in shares" shall have the meaning given in Section 6A of the Act.
Proposal	- Proposed Renewal of Shareholders' Mandate
Proposed Renewal of Shareholders' Mandate	- A proposal to seek renewal of shareholders' mandate from the shareholders of the Company pursuant to Rule 10.09 of the Listing Requirements for MMSV Group to enter into existing RRPTs as set out in Section 1.1 of this Circular

## DEFINITIONS (Cont'd)

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Recurrent Related Party Transaction(s) or "RRPT"	- Recurrent related party transaction(s) of a revenue or trading nature, which are necessary for the day-to-day operations and are in the ordinary course of business of the MMSV Group, entered into/to be entered into by MMSV or its subsidiaries which involve the interest, direct or indirect, of a Related Party(ies)
Related Party(ies)	- Director(s), major shareholder(s) of MMSV or person(s) connected with such Director(s) or major shareholder(s) who are interested in the Proposed Renewal of Shareholders' Mandate. The terms "Director" or "major shareholder" shall have the meanings as set out in Rule 10.02 of the ACE LR
Related Transacting Parties	- The parties transacting/to be transacting with the MMSV Group for which the Proposed Renewal of Shareholders' Mandate is being sought, as set out in Section 1.1 of this Circular
RM	- Ringgit Malaysia

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**MMS VENTURES BERHAD**  
(Company No. 647125 - P)  
(Incorporated in Malaysia)

**Registered Office:**  
Unit 41-5-5  
5<sup>th</sup> Floor, Wisma Prudential  
41, Jalan Cantonment  
10250 Pulau Pinang

1 June 2011

**Board of Directors:**

Sia Teik Keat (*Managing Director*)  
Saw Chong Keat (*Executive Director*)  
Goh Kim Hock (*Non-Independent Non-Executive Director*)  
Tan Beng Chuan (*Non-Independent Non-Executive Director*)  
Tan Hock Hin (*Independent Non-Executive Director*)  
Chong Chee Hong (*Independent Non-Executive Director*)

**To: The shareholders of MMS Ventures Berhad**

Dear Sir/Madam,

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

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**A. INTRODUCTION**

At the 6<sup>th</sup> AGM on 24 June 2010, the Board obtained a mandate from the Company's shareholders for MMSV Group to enter into certain RRPTs which are on normal commercial terms not more favourable to the related party than those generally available to the public. In accordance with the ACE LR, the authority granted pursuant to the said mandate shall lapse at the conclusion of the forthcoming AGM unless the authority is renewed by a resolution passed at the forthcoming AGM.

In this connection, your Board had on 21 April 2011 announced its intention to seek your approval for the Proposed Renewal of Shareholders' Mandate in relation to the RRPT of a revenue or trading nature which is in the ordinary course of business and necessary for the day-to-day operations of the Group in connection with Rule 10.09 of the ACE LR.

The purpose of this Circular is to provide you with the information on the Proposal, to set out your Board's recommendation on the Proposal and to seek your approval on the resolutions to be tabled at the forthcoming AGM as set out in the Notice of AGM.

**Shareholders are advised to read the contents of this Circular carefully before voting on the resolutions pertaining to the Proposal.**

## B. INFORMATION ON THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

### 1. DETAILS OF THE PROPOSAL

Under Rule 10.09 of the ACE LR, MMSV may seek shareholders' mandate in respect of related-party transactions involving recurrent transactions of revenue or trading nature which are necessary for its day-to-day operations subject to 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 is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or exceeds the applicable prescribed threshold under paragraph 10.09 (1) of the ACE LR;
- (iii) MMSV's circular to shareholders for the shareholders' mandate shall contain information as may be prescribed by Bursa Securities. The Circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (iv) in a meeting to obtain shareholders' mandate, the interested Director, interested major shareholder or interested person connected with a Director or major shareholder; and where it involves the interest of an interested person connected with a Director or major shareholder, such Director or major shareholder, must not vote on the resolution approving the transactions. An interested Director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions;
- (v) MMSV immediately announces to Bursa Securities when the actual value of a RRPT entered into by the Group, exceeds the estimated value of the RRPT disclosed in the Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

The MMSV Group is principally involved in the design and manufacture of Industrial Automation Systems and Machinery, design of precision Die Sets, Jigs and Fixtures, and software development.

The wholly-owned subsidiaries of MMSV and their principal activities are as follows:

<b>Subsidiary</b>	<b>Principal Activities</b>
MMS	design and manufacture of Industrial Automation Systems and Machinery and design of precision Die Sets, Jigs and Fixtures
Evolusys	engage in software development

The MMSV Group has entered and is anticipated to enter into recurrent transactions of revenue or trading nature, which are necessary in the ordinary course of business, with certain Related Transacting Parties.

The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders of MMSV at the forthcoming AGM, will take effect from the date of the passing of the Ordinary Resolution proposed at the forthcoming AGM and is subject to annual renewal. In this respect, the mandate shall only continue to be in force until:

- (i) the conclusion of the next AGM of the Company at which time the Proposed Renewal of Shareholders' Mandate will lapse unless the authority is renewed by a resolution passed at the next AGM; or
  - (ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Companies Act 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act 1965); or
  - (iii) revoked or varied by resolutions passed by the shareholders of the Company in a general meeting before the next AGM;
- whichever is the earliest.

This Circular is prepared for the purpose to provide the shareholders of the Company with information on the Proposed Renewal of Shareholders' Mandate and to seek your approval for the resolution to be tabled at the forthcoming AGM pertaining thereto.

### 1.1 Details of the RRPT

Details of the RRPTs covered under the Proposed Renewal of Shareholders' Mandate are set out below:-

Party within MMSV Group involved in transactions	Related transacting parties	Nature of transactions	Nature of relationship with Director/major shareholder	Existing Mandate		Estimated value of transaction from forthcoming AGM date to the next AGM (RM) ^
				Estimated value as disclosed in the Circular to shareholders dated 2 June 2010 (RM)	Actual value transacted from 25 June 2010 to 21 April 2011 (RM) *	
<b>Transactions for renewal</b>						
MMS	MCE	<ul style="list-style-type: none"> <li>Provision of tooling and machining services by MCE to MMS</li> <li>Renting of factory building to MCE by MMS and maintenance and utility charges</li> <li>Provision of design and engineering support by MMS to MCE</li> </ul>	<p>STK is a common major shareholder</p> <p>GKH is a common major shareholder and Director</p> <p>TBH is a major shareholder and Director in MCE and a shareholder in MMSV</p> <p>TSK is a common shareholder and key management staff of MMS</p>	1,000,000	294,232	1,000,000
				860,000	840,000#	840,000
				500,000	-	1,000,000
MMS	Soon Teck Engineering Works Sdn Bhd ("Soon Teck")	Supply of sheet metals by Soon Teck to MMS	TBC is a common major shareholder and Director	50,000	-	100,000
MMS	Accutek Engineering (Pg) Sdn Bhd ("Accutek")	Provision of tooling and machining services by Accutek to MMS	GKH is a common major shareholder TBH is a common shareholder and a Director	500,000	283,110	1,000,000

### Deviation from mandate

The actual value of RRPTs did not exceed the estimated value as approved under the previous shareholders' mandate granted to the Company at the last AGM.

### 1.1 Details of the RRPT (Cont'd)

#### Notes

- \* Actual value from 25 June 2010 to 21 April 2011, being latest practicable date prior to the printing of Circular
  - ^ Proposed mandate from 24 June 2011 (one day after the AGM to be held on 23 June 2011) to the next AGM
  - # Rental, maintenance and utility charges is RM840,000 per annum payable monthly at RM70,000 for a built up area of 20,500 sq. ft. with tenure of rental agreement renewable annually. The factory building bears postal address at 84A, Lintang Bayan Lepas 9, Bayan Lepas Industrial Park, Phase 4, 11900 Penang.
- STK Represents Mr. Sia Teik Keat  
TBC Represents Mr. Tan Beng Chuan  
GKH Represents Mr. Goh Kim Hock  
TBH Represents Mr. Tan Beng Cheong  
TSK Represents Mr. Teoh Soo Kuang

As at 5 May 2011, the direct and indirect shareholdings of the interested Directors, interested major shareholders and persons connected to the interested Directors and interested major shareholders of MMSV in the Related Transacting Parties are as follows:-

Related Party	Shareholding in Related Transacting Parties					
	MCE		Soon Teck Engineering Works Sdn Bhd		Accutek Engineering (Pg) Sdn Bhd	
	Direct %	Indirect %	Direct %	Indirect %	Direct %	Indirect %
<b>MMSV's interested Directors</b>						
STK	31.1	-	-	-	-	30 <sup>7</sup>
TBC	-	-	40	-	-	-
GKH	31.1	-	-	-	-	30 <sup>7</sup>
<b>MMSV's interested major shareholders</b>						
STK	31.1	-	-	-	-	30 <sup>7</sup>
TBC	-	-	40	-	-	-
GKH	31.1	-	-	-	-	30 <sup>7</sup>
KSSB <sup>1</sup>	-	-	-	-	-	-
AJFSB <sup>2</sup>	-	-	-	-	-	-
<b>Person connected to the interested Directors and interested major shareholders of MMSV</b>						
Kuan Goot Kheng <sup>3</sup>	-	-	-	-	-	-
Loh Ah Moy @ Mary Anne <sup>4</sup>	-	-	-	-	-	-
Jennifer Tan Suet Luan <sup>5</sup>	-	-	-	-	-	-
Aileen Tan Suet Ping <sup>5</sup>	-	-	-	-	-	-
Sim Goay Hoon <sup>6</sup>	-	-	-	-	-	-

*Notes:*

- 1 *Deemed connected to STK, a Director of MMSV having an interest in the Proposed Renewal of Shareholders' Mandate, by virtue of Section 122A of the Act*
- 2 *Deemed connected to TBC, a Director of MMSV having an interest in the Proposed Renewal of Shareholders' Mandate, by virtue of Section 122A of the Act*
- 3 *Deemed connected to STK, her spouse and a Director of MMSV having an interest in the Proposed Renewal of Shareholders' Mandate, by virtue of Section 122A of the Act*
- 4 *Deemed connected to TBC, her spouse and a Director of MMSV having an interest in the Proposed Renewal of Shareholders' Mandate, by virtue of Section 122A of the Act*
- 5 *Deemed connected to TBC, their father and a Director of MMSV having an interest in the Proposed Renewal of Shareholders' Mandate, by virtue of Section 122A of the Act*
- 6 *Deemed connected to GKH, her spouse and a Director of MMSV having an interest in the Proposed Renewal of Shareholders' Mandate, by virtue of Section 122A of the Act*
- 7 *Deemed interested by virtue of Section 6A of the Act through his shareholdings in MCE*

*KSSB, AJFSB, Kuan Goot Kheng, Loh Ah Moy @ Mary Anne, Jennifer Tan Suet Luan, Aileen Tan Suet Ping and Sim Goay Hoon are deemed to be related to the Related Transacting Parties by virtue of their respective relationships with the above-mentioned interested Directors and interested major shareholders of MMSV.*

*Further information on the relationship between KSSB, AJFSB, Kuan Goot Kheng, Loh Ah Moy @ Mary Anne, Jennifer Tan Suet Luan, Aileen Tan Suet Ping and Sim Goay Hoon with interested Directors and interested major shareholders of MMSV is disclosed in the note to Section 5 below.*

## 1.2 Benefits

The procurement/provision of the services from/to the Related Transacting Parties as set out in Section 1.1, being the subject of this Proposed Renewal of Shareholders' Mandate is on terms, which in the view of your Directors are reasonably market-competitive and are no less favourable than if MMSV Group had sourced/sold such goods and/or services from/to unrelated third parties. Further, the Related Transacting Parties are proven reliable suppliers of the goods and/or services required for the Group's business of fabricating Industrial Automation Systems and Machinery, design of precision Die Sets, Jigs and Fixtures. Therefore any risk of interruption to the Group's day-to-day operations would be minimised. The MMSV Group would benefit from the pooling and sharing of certain services, software applications and human resources, as this will enable the Group to reduce its operation cost.

The rental agreement entered into between MMS and MCE is on terms and conditions, which in the view of your Directors are reasonable and are no less favourable than if MMS had rented the factory space to unrelated third parties.

## 1.3 Review Procedures for the RRPT

The MMSV Group has established various procedures to ensure that the RRPT are undertaken on an arm's length basis and on normal commercial terms that are consistent with the MMSV Group's usual business practices and policies. They are not on terms that are more favourable to the Related Parties than those extended to the public and are not to the detriment of MMSV's minority shareholders.

The review procedures established by the MMSV Group for the RRPT are as follows:

- (i) All companies within the Group have been informed of the definition of Related Party and the review procedures applicable to all RRPTs with Related Parties.
- (ii) Where practicable and feasible, at least two quotations and tenders from unrelated third parties for similar products/services and/or quantities will be used as comparison to determine whether the price and terms offered by/to the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. Where quotations or comparative pricing from unrelated third parties pricing cannot be obtained, the transaction price will be determined by MMSV Group based on substantially, similar type of transactions to ensure that the RRPT is not detrimental to the Group.
- (iii) The transaction prices are determined by the prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms.
- (iv) All RRPTs shall be reviewed by the Audit Committee.
- (v) Any member of the Audit Committee may, as he deems fit, request for additional information pertaining to the transactions including from independent sources or advisers.
- (vi) The interested Directors who are members of the Board and Audit Committee will abstain from deliberating and voting on all matters pertaining to the RRPTs at the relevant meetings of the Board and Audit Committee.
- (vii) Proper records shall be maintained to capture all RRPTs entered into pursuant to the shareholders' mandate to ensure accurate disclosure thereof. Disclosure will be made in the annual report of the breakdown of the aggregate value of the RRPTs during the financial year, amongst others, based on the following information:
  - (a) the type of RRPTs made; and
  - (b) the names of the Related Parties involved in each type of the RRPT made and their relationship with the Group.
- (viii) The Audit Committee shall have the overall responsibility of determining whether the review procedures are appropriate, with the authority to delegate such function to individuals or committee within the Group as it shall deem fit.

## 1.4 Guidelines on Thresholds of Authority

There are no specific thresholds for approval of RRPTs within the Group. However, all RRPTs are subject to the approval of the appropriate level of authority as determined by the senior management and/or the Board from time to time, subject to the provisions in the ACE LR and/or the Act, where necessary.

In compliance with Rule 10.09(1)(a) of the ACE LR, MMSV Group will immediately announce a RRPT where:-

- (i) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1 million; or
- (ii) any one of the percentage ratio of such aggregated transactions is equal to or exceeds 1%, whichever is the higher.

### **1.5 Statement by Audit Committee of MMSV**

The Audit Committee of the Company has reviewed the procedures as set out in the Section 1.3 above and is of the view that the said procedures are sufficient to ensure that the RRPTs are conducted at arm's length basis, 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. Any member of the Audit Committee who is interested in any RRPT shall not be involved in the review of the RRPT.

The Audit Committee of the Company is also of the view that the Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. The Audit Committee's review procedures will be conducted on a quarterly basis together with the review of quarterly results, or such frequency as the Audit Committee considers appropriate having regard to the value and the frequency of the RRPT.

## **2. RATIONALE FOR THE PROPOSAL**

The RRPTs entered into or to be entered into by the MMSV Group are recurrent transactions of revenue and trading nature conducted in the ordinary course of business of the MMSV Group and which are likely to occur with some degree of frequency and arise at any time and from time to time.

These transactions may be constrained by the time-sensitive nature and confidentiality of the same may render it impractical to seek shareholders' approval on a case-by-case basis before entering into such RRPTs. As such, your Board is seeking shareholders' mandate pursuant to Rule 10.09 and Guidance Note No.8 of the ACE LR to allow the Group to enter into RRPTs described in Section 1.1 above which will be entered into on an arm's length basis and on normal commercial terms and which are not to the detriment of MMSV's minority shareholders.

By obtaining the Proposed Renewal of Shareholders' Mandate and the renewal of the same on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPTs occur, would not arise. This will substantially avoid expenses associated with the convening of general meetings on an ad hoc basis and prevent administrative inconvenience.

## **3. FINANCIAL EFFECTS**

The Proposed Renewal of Shareholders' Mandate is not expected to have any effect on the issued and paid-up share capital, earnings per share and net assets per share of the Group.

## **4. CONDITION OF THE PROPOSAL**

The Proposed Renewal of Shareholders' Mandate is conditional upon the approval of the shareholders of MMSV at the forthcoming 7<sup>th</sup> AGM.

## 5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

As at 5 May 2011, the direct and indirect interests of the interested Directors, interested major shareholders and person connected to the interested Director and interested major shareholder of MMSV are as follows:-

	Direct		Indirect	
	No. of shares	%	No. of shares	%
<b>Interested Directors</b>				
Sia Teik Keat	17,207,204	10.56	17,207,204 <sup>1</sup>	10.56
Tan Beng Chuan	17,236,204	10.57	17,207,204 <sup>2</sup>	10.56
Goh Kim Hock	25,810,806	15.83	8,603,602 <sup>3</sup>	5.28
<b>Interested Major Shareholders</b>				
Sia Teik Keat	17,207,204	10.56	17,207,204 <sup>1</sup>	10.56
Tan Beng Chuan	17,236,204	10.57	17,207,204 <sup>2</sup>	10.56
Goh Kim Hock	25,810,806	15.83	8,603,602 <sup>3</sup>	5.28
KSSB	17,207,204	10.56	-	-
AJFSB	17,207,204	10.56	-	-
<b>Person Connected to Interested Director and Interested Major Shareholder</b>				
Kuan Goot Kheng <sup>4</sup>	-	-	17,207,204 <sup>4</sup>	10.56
Loh Ah Moy @ Mary Anne <sup>5</sup>	-	-	17,207,204 <sup>5</sup>	10.56
Jennifer Tan Suet Luan <sup>6</sup>	-	-	17,207,204 <sup>6</sup>	10.56
Aileen Tan Suet Ping <sup>6</sup>	-	-	17,207,204 <sup>6</sup>	10.56
Sim Goay Hoon <sup>7</sup>	8,603,602 <sup>7</sup>	5.28	-	-
	Direct		Indirect	
	No. of shares	%	No. of shares	%
<b>Other Interested Person</b>				
Teoh Soo Kuang <sup>8</sup>	7,795,765	4.78	-	-
Tan Beng Cheong <sup>9</sup>	13,385,400	8.21	-	-

Notes:

- 1 Deemed interest by virtue of Section 6A of the Act through his shareholding in KSSB
- 2 Deemed interest by virtue of Section 6A of the Act through his shareholding in AJFSB
- 3 Deemed interested by virtue of the direct shareholding of his spouse, Sim Goay Hoon
- 4 Deemed interest by virtue of Section 6A of the Act through her shareholding in KSSB. She is also deemed connected to Sia Teik Keat, her spouse and a Director of MMSV having an interest in the Proposed Renewal of Shareholders' Mandate, by virtue of Section 122A of the Act.
- 5 Deemed interest by virtue of Section 6A of the Act through her shareholding in AJFSB. She is also deemed connected to Tan Beng Chuan, her spouse and a Director of MMSV having an interest in the Proposed Renewal of Shareholders' Mandate, by virtue of Section 122A of the Act.
- 6 Deemed interest by virtue of Section 6A of the Act through their shareholding in AJFSB. They are also deemed connected to Tan Beng Chuan, their father and a Director of MMSV having an interest in the Proposed Renewal of Shareholders' Mandate, by virtue of Section 122A of the Act.
- 7 Deemed connected to Goh Kim Hock, her spouse and a Director of MMSV having an interest in the Proposed Renewal of Shareholders' Mandate, by virtue of Section 122A of the Act.
- 8 Director of MCE and shareholder and key management staff of MMSV
- 9 Director and major shareholder of MCE and shareholder of MMSV

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

Accordingly, the interested Directors of MMSV, namely Sia Teik Keat, Tan Beng Chuan and Goh Kim Hock (collectively referred to as "Interested Directors"), have abstained and will continue to abstain from all Board deliberations and voting in respect of the transactions in which they have an interest as detailed in Section 1.1 above. The Interested Directors, Teoh Soo Kuang and Tan Beng Cheong will also abstain from voting in respect of their direct and indirect shareholdings on the ordinary resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming 7<sup>th</sup> AGM of the Company.

The interested major shareholders of MMSV, namely Sia Teik Keat, Tan Beng Chuan, Goh Kim Hock, KSSB and AJFSB will abstain from voting in respect of their direct and indirect shareholdings on the ordinary resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming 7<sup>th</sup> AGM of the Company.

The abovementioned interested Directors and interested major shareholders have also undertaken to ensure that the persons connected to them (as defined in the ACE LR) will abstain from voting in respect of their direct and indirect shareholdings on the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate at the forthcoming 7<sup>th</sup> AGM.

Save as disclosed above, none of the other Directors and major shareholders or persons connected to Directors and/or major shareholders (as defined in the ACE LR) have any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate.

## **6. DIRECTORS' RECOMMENDATION**

Save for the Interested Directors, your Board, having considered all aspects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that the proposal is in the best interest of MMSV and its shareholders. Accordingly, your Board (save for the Interested Directors) recommends that you vote in favour of the ordinary resolution pertaining to the proposal to be tabled at the forthcoming 7<sup>th</sup> AGM.

## **7. APPROVALS REQUIRED**

The Proposed Renewal of Shareholders' Mandate is subject to the approval of the shareholders at the forthcoming 7<sup>th</sup> AGM to be convened or at any adjournment thereof.

## **C. OTHER INFORMATION**

### **1. AGM**

The Ordinary Resolution to approve the Proposal are set out in the Extract of the resolutions of this Circular and as Special Business in the Notice of the 7<sup>th</sup> AGM contained in MMSV's Annual Report, which is sent to you together with this Circular.

The 7<sup>th</sup> AGM will be held at Auditorium of MMS Ventures Berhad, Plot 84A, Lintang Bayan Lepas 9, Bayan Lepas Industrial Park, Phase 4, 11900 Penang on 23 June 2011 at 10.00a.m. to consider and if thought fit, to pass the resolution to give effect to the Proposal.

If you are unable to attend and vote in person at the AGM, you may appoint a proxy or proxies by executing the enclosed Form of Proxy in the Annual Report 2010 in accordance with the instructions printed thereon as soon as possible and in any event to reach the Company's registered office at Unit 41-5-5, 5<sup>th</sup> Floor, Wisma Prudential, 41 Jalan Cantonment, 10250 Penang not later than forty eight (48) hours before the time fixed for holding the AGM. You are not precluded from attending and voting at the AGM should you wish to do so subsequent to the lodging of the Form of Proxy.

### **2. FURTHER INFORMATION**

Shareholders are requested to refer to the attached Appendices for further information.

Yours faithfully  
For and on behalf of the Board of  
**MMS Ventures Berhad**

**Tan Hock Hin**  
Independent Non-Executive Director

**FURTHER INFORMATION****1. Directors' Responsibility Statement**

This Circular has been reviewed and approved by the Directors of MMSV, and they individually and collectively accept full responsibility for the accuracy of the information contained herein and confirm that after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Circular misleading.

**2. Material Contracts**

There are no other material contracts (not being contracts entered into in the ordinary course of business), which are or may be material which have been entered into by MMSV and/or its subsidiaries, within the two years immediately preceding the date of this Circular.

**3. Material Litigation, Claims and Arbitration**

As at 5 May 2011, neither MMSV nor any of its subsidiaries is engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position of MMSV or its subsidiaries and the Directors of MMSV do not know of any proceedings pending or threatened, or of any other facts likely to give rise to any proceedings, which might materially and adversely affect the position or business of MMSV or its subsidiaries.

**4. Documents Available for Inspection**

Copies of the following documents will be made available for inspection during the normal office hours at the registered office of MMSV at Unit 41-5-5, 5<sup>th</sup> Floor Wisma Prudential, 41, Jalan Cantonment, 10250 Pulau Pinang, from the date of this Circular up to the date of the forthcoming AGM:-

- (i) Memorandum and Articles of Association of MMSV;
- (ii) the audited consolidated financial statements of MMSV for the past two financial years ended 31 December 2009 and 2010; and
- (iii) the quarterly report for the period ended 31 March 2011.

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**EXTRACT OF THE ORDINARY RESOLUTION TO BE TABLED AS SPECIAL BUSINESS AT THE FORTHCOMING 7<sup>TH</sup> ANNUAL GENERAL MEETING**

**AS SPECIAL BUSINESS:**

To consider and if thought fit, to pass the following ordinary resolution:-

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

“THAT pursuant to Rule 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”) for ACE Market, the Company and/or any of its subsidiaries be and are hereby authorised to enter into recurrent related party transactions of a revenue or trading nature with those related parties as specified in Section 1.1 of the Circular to the Shareholders dated 1 June 2011, from time to time provided that such transactions are necessary for the day-to-day operations and undertaken in the ordinary course of business and at arm’s length basis and on normal commercial terms and on terms which are not more favourable to the related party than those generally available to the public and not prejudicial to the shareholders of the Company AND THAT such approval, unless revoked or varied by the Company in general meeting, shall continue in force until:-

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (“the Act”) (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act);or
- (c) revoked or varied by resolutions passed by the shareholders in general meeting;

whichever is earlier;

THAT the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution;

AND THAT, the estimates given to the Recurrent Related Party Transactions specified in Section 1.1 of the Circular being provisional in nature, the Directors of the Company and/or any of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the procedures set out in Section 1.3 of the Circular.”







**MMS VENTURES BERHAD**

[ Company No: 647125-P ]