THIS CIRCULAR 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.

Bursa Malaysia Securities Berhad has not perused the contents of this Circular prior to its issuance as the said contents fall under the category of Exempt Circular pursuant to Guidance Note 22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, 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 Circular.

EVERSAFE RUBBER BERHAD
Registration No. 201501008542 (1133877-V)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The ordinary resolution in respect of the above proposal will be tabled as Special Business at the Eighth Annual General Meeting ("8th AGM") of Eversafe Rubber Berhad (the "Company") which will be held at Conference 2, Level 2, WEIL Hotel, 292 Jalan Sultan Idris Shah, 30000 Ipoh, Perak Darul Ridzuan on Tuesday, 23 May 2023 at 11.00 a.m. or at any adjournment thereof.

The Notice of the 8th AGM and the Form of Proxy are set out in the Company's Annual Report 2022 and can be downloaded at www.eversafe.com.my.

You are entitled to attend and vote at the 8th AGM of the Company or to appoint a proxy or proxies to attend and vote on your behalf. The appointment of a proxy may be made in hard copy form or by electronic form. In such event, the Form of Proxy should reach to the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic lodgement via TIIH Online website at https://tiih.online not less than 48 hours before the time for holding the AGM or any adjournment thereof. The lodging of the Form of Proxy will not, however, preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy	:	Sunday, 21 May 2023 at 11.00 a.m.
Date and time of the AGM	:	Tuesday, 23 May 2023 at 11.00 a.m.

This Circular is dated 21 April 2023

DEFINITIONS

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

Act	:	The Malaysian Companies Act 2016, as amended from time to time and include any re-enactment thereof
AGM	:	Annual General Meeting
Annual Report 2022	:	Annual Report of Eversafe Rubber for the financial year ended 31 December 2022
Board	:	The Board of Directors of Eversafe Rubber
Bursa Securities	:	Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
Circular	:	This circular to Shareholders of the Company dated 21 April 2023
Director(s)	:	A director shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transactions were agreed upon, a director or a chief executive of Eversafe Rubber, its subsidiary or holding company
Eversafe Rubber or the Company	:	Eversafe Rubber Berhad [201501008542 (1133877-V)]
Eversafe Rubber Group or Group	:	Eversafe Rubber and its subsidiaries, collectively
Eversafe Shanghai	:	Eversafe Trading (Shanghai) Co Ltd (91310115757858151Q)
Eversafe Rubber Shares or Shares	:	Ordinary shares in Eversafe Rubber
Eversafe Trading	:	Eversafe Trading Sdn Bhd [197601002959 (28945-P)]
FYE	:	Financial year ended/ending, as the case may be
Jiaxing	:	Jiaxing YongAn Rubber Co Ltd (91330400661714879N)
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities, as amended from time to time
LPD	:	24 March 2023, being the latest practicable date prior to the printing of this Circular

Major Shareholder(s)	:	Means a person who has an interest or interests in one or more voting share 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; and shall include any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major Shareholder of Eversafe Rubber, its subsidiary or holding company. "Interest" shall have the meaning of "interest in shares" given in Section 8 of the Act
Olympic	:	Olympic Retreads (M) Sdn Bhd [197301001997 (15519-T)]
Person Connected	:	In relation to any person (referred to as "**said Person**") means such person who falls under any one of the following categories: (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 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 Shareholders' Mandate	:	Proposed renewal of Shareholders' mandate for the Eversafe Rubber Group to enter into Recurrent Related Party Transactions of a revenue or trading nature
Recurrent Related Party Transaction(s) or RRPTs	:	Related party transaction(s) which is/are recurrent, of a revenue or trading nature and which is/are necessary for the day-to-day operations of the Eversafe Rubber Group
Related Party(ies)	:	Director(s), Major Shareholder(s) and/or person(s) connected with such Director(s) or Major Shareholder(s)
RM and sen	:	Ringgit Malaysia and sen respectively

Rubber Works	:	Eversafe Rubber Works Sdn Bhd [198001006759 (60543-X)]
Shareholders	:	Shareholders of the Company
Supreme Good	:	Supreme Good International Limited (1074003)
Tai Hin	:	Tai Hin & Son (PG) Sdn Bhd [197801001009 (38026-W)]

In this Circular, words referring to the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Reference to persons shall include corporations, unless otherwise specified. All references to "you" in this Circular are to the Shareholders.

Any reference in this Circular 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 Circular shall be a reference to Malaysian time, unless otherwise stated. Any discrepancies in the tables between amounts stated and the totals in this Circular are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Company's plans and objectives will be achieved.

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EVERSAFE RUBBER BERHAD
Company No. 201501008542 (1133877-V)
(Incorporated in Malaysia)

Registered Office:

41, Jalan Medan Ipoh 6
Bandar Baru Medan Ipoh
31400 Ipoh
Perak
Malaysia

21 April 2023

BOARD OF DIRECTORS

Tan Sri Dato' Dr. Sak Cheng Lum *(Independent Non-Executive Chairman)*
Dato' Seri Cheah Eu Kiat *(Executive Director)*
Eu Ah Seng *(Executive Director)*
Cheah Siang Tee *(Chief Executive Officer / Executive Director)*
Cheah Eu Lee *(Non-Independent Non-Executive Director)*
Tuan Haji Mohd Isa bin Talib *(Independent Non-Executive Director)*
Ng Meng Kwai *(Senior Independent Non-Executive Director)*
Ong Beow Chieh *(Independent Non-Executive Director)*

To : The Shareholders of Eversafe Rubber Berhad

Dear Sir/Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

1. INTRODUCTION

At the Company's AGM held on 26 May 2022, the Company had obtained the general mandate from the Shareholders for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature. The existing Shareholders' mandate will expire at the conclusion of the forthcoming AGM of the Company unless authority for its renewal is obtained from the Shareholders at the forthcoming AGM.

On 13 April 2023, the Board had announced to Bursa Securities that the Company proposes to seek Shareholders' approval at the forthcoming AGM on the Proposed Renewal of Shareholders' Mandate.

The purpose of this circular is to provide you with the relevant information on the Proposed Renewal of Shareholders' Mandate and to seek your approval for the resolution pertaining to the Proposed Renewal of Shareholders' Mandate while will be tabled at the forthcoming AGM. The notice of the AGM together with the form of proxy are enclosed in the annual report of the Company for the financial year ended 31 December 2022, which is available on the Company's website at www.eversafe.com.my.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO GIVE EFFECT TO THE PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

Pursuant to Rule 10.09 of the Listing Requirements, where related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for the Company and its subsidiaries' day-to-day operations, the Company may seek a Shareholders' mandate in respect of such transactions 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 more than the threshold as follows:-

(a) the consideration, value of the assets, capital outlay or costs of the RRPT(s) is RM1 million or more; or

(b) the percentage ratio of such RRPT(s) is 1% or more,

whichever is the higher.

(iii) issuance of a circular to Shareholders for the Shareholders' mandate which includes information as may be prescribed by Bursa Securities;

(iv) in a meeting to obtain a mandate from the Shareholders. The interested Director, interested Major Shareholder or Persons Connected with a Director or Major Shareholder and where it involves the interest of a Person Connected with a 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 to them (if any) will abstain from voting on the resolutions approving the transactions; and

(v) the Company immediately announces to Bursa Securities when the actual value of a RRPT entered into by the Company, 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 Eversafe Rubber Group has, in the ordinary course of its business, entered into certain RRPTs and it is anticipated that the companies within the Eversafe Rubber Group would, in the ordinary course of business, continue to enter into such transactions with the Related Parties, details of which are set out in Section 2.2 of this Circular. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

These RRPTs which are necessary for the day-to-day operations of the Eversafe Rubber Group, have been/will be based on normal commercial terms, at arms' length, and have been/will be transacted on terms that are not more favourable to the Related Parties than those generally available to the public.

2.1 Principal business of the Eversafe Rubber Group

The principal activity of Eversafe Rubber is that of investment holding while its subsidiaries are involved in the following:-

Name of company	Effective equity interest held (%)	Principal activities
Rubber Works	100%	Manufacturing and sale of rubber based tyre retread products and provision of related services
Subsidiaries held via Rubber Works		
Eversafe Trading	100%	Trading in rubber based tyre retreading products
Eversafe Shanghai	100%	Trading in rubber-based tyre retreading products
Olympic	100%	Manufacturing and distribution of retreaded tyres
Supreme Good	100%	Investment holding and manufacturing and distribution of retreaded tyres
Subsidiary held via Eversafe Shanghai		
Jiaxing	100%	Production and sales of rubber products and service of after sale of self-produced products

2.2 Nature of RRPTs

The RRPTs are in the ordinary course of business and are of a revenue and/or trading nature necessary for the day-to-day operations of our Group. These RRPTs are entered into on a case-by-case basis after taking into consideration the benefits of each RRPT attributable to the Group.

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The details of the nature and estimated value of the RRPTs in respect of which the Company is seeking a mandate from its Shareholders as contemplated under the Proposed Renewal of Shareholders' Mandate are as follows:-

Company within the Eversafe Rubber Group	Related Parties	Nature of relationship with Related Party	Nature of transaction	*Actual value transacted from 26 May 2022 up to LPD (RM)	Estimated value as disclosed in the circular to Shareholders dated 27 April 2022 (RM)	#Estimated value of transactions from 23 May 2023 to the next AGM (RM)
Olympic	Tai Hin	Tai Hin is a major shareholder of Eversafe Rubber. Dato' Seri Cheah Eu Kiat, our Executive Director and major shareholder, is also a Director and shareholder of Tai Hin. Cheah Siang Tee, our Chief Executive Officer/ Executive Director and shareholder, is also a Director and shareholder of Tai Hin. Cheah Eu Lee, our Non-Independent Non-Executive Director and shreholder, is also a Director and shareholder of Tai Hin.	Rental of factory building and office at No. 6422 and 6424, Jalan Permatang Pauh, Mak Mandin Industrial Estate, 13400 Butterworth, Penang from Tai Hin with a total built-up area of 23,300 square feet.	222,500	240,000	270,000
Rubber Works	Tayarmart (M) Sdn Bhd	Dato' Seri Cheah Eu Kiat, our Executive Director and major shareholder, is also a Director of Tayarmart (M) Sdn Bhd. Cheah Siang Tee, our Chief Executive Officer/ Executive Director and shareholder, is also a director of Tayarmart (M) Sdn Bhd. Cheah Eu Lee, our Non-Independent Non-Executive Director and shareholder, is also a Director of Tayarmart (M) Sdn Bhd.	Purchase of tyres and other vehicle parts as well as provision of motor vehicle maintenance services from Tayarmart (M) Sdn Bhd.	9,700	40,000	40,000

Company within the Eversafe Rubber Group	Related Parties	Nature of relationship with Related Party	Nature of transaction	*Actual value transacted from 26 May 2022 up to LPD (RM)	Estimated value as disclosed in the circular to Shareholders dated 27 April 2022 (RM)	#Estimated value of transactions from 23 May 2023 to the next AGM (RM)
Olympic	Tayarmart (M) Sdn Bhd	Dato' Seri Cheah Eu Kiat, our Executive Director and major shareholder, is also a Director of Tayarmart (M) Sdn Bhd. Cheah Siang Tee, our Chief Executive Officer/ Executive Director and shareholder, is also a Director of Tayarmart (M) Sdn Bhd. Cheah Eu Lee, our Non-Independent Non-Executive Director and shareholder, is also a Director of Tayarmart (M) Sdn Bhd.	Sales of retreaded tyres and provision of retreading services to Tayarmart (M) Sdn Bhd. Purchase of new tyres, tyre casings and other vehicle parts as well as provision of motor vehicle maintenance services from Tayarmart (M) Sdn Bhd.	1,127,424	2,700,000	2,700,000
Olympic	Tayarmart (Raja Uda) Sdn Bhd	Dato' Seri Cheah Eu Kiat, our Executive Director and major shareholder, is also a Director of Tayarmart (Raja Uda) Sdn Bhd. Cheah Siang Tee, our Chief Executive Officer/ Executive Director and shareholder, is also a Director of Tayarmart (Raja Uda) Sdn Bhd. Cheah Eu Lee, our Non-Independent Non-Executive Director and shareholder, is also a Director of Tayarmart (Raja Uda) Sdn Bhd.	Sales of retreaded tyres and provision of retreading services to Tayarmart (Raja Uda) Sdn Bhd. Purchase of new tyres, tyre casings and other vehicle parts as well as provision of motor vehicle maintenance services from Tayarmart (Raja Uda) Sdn Bhd.	117,575	430,000	430,000

Company within the Eversafe Rubber Group	Related Parties	Nature of relationship with Related Party	Nature of transaction	*Actual value transacted from 26 May 2022 up to LPD (RM)	Estimated value as disclosed in the circular to Shareholders dated 27 April 2022 (RM)	#Estimated value of transactions from 23 May 2023 to the next AGM (RM)
Rubber Works	Tayarmart (Raja Uda) Sdn Bhd	Dato' Seri Cheah Eu Kiat, our Executive Director and major shareholder, is also a Director of Tayarmart (Raja Uda) Sdn Bhd. Cheah Siang Tee, our Chief Executive Officer/ Executive Director and shareholder, is also a Director of Tayarmart (Raja Uda) Sdn Bhd. Cheah Eu Lee, our Non-Independent Non-Executive Director and shareholder, is also a Director of Tayarmart (Raja Uda) Sdn Bhd.	Purchase of new tyres, tyre casings and other vehicle parts as well as provision of motor vehicle maintenance services from Tayarmart (Raja Uda) Sdn Bhd.	-	3,040	3,040

Notes:-

* *The actual value represents the RRPT transacted from 26 May 2022 up to the LPD. The aggregate actual values transacted did not exceed the estimated values by ten percent (10%) or more.*

 # The estimated values for the RRPT are determined by management of Eversafe Rubber. The actual values transacted may vary from the estimated values stated herein.

2.3 Amount due from and owing by Related Parties pursuant to the RRPTs

As at FYE 31 December 2022, there was no amount due and owing by the Related Parties pursuant to RRPTs that has exceeded the credit terms. The Board is of the opinion that there are no recoverability issues in relation to RRPTs.

2.4 Review procedures

The Eversafe Rubber Group has established the following procedures to ensure that the RRPTs, where possible, are undertaken on transaction prices at arms' length basis and on normal commercial terms consistent with the Group's usual business practices and policies, which are generally not more favourable to the related parties than those generally available to the public and are not detrimental to Eversafe Rubber's minority Shareholders.

There are no specific thresholds for the approval of RRPTs. All RRPTs will be reviewed and approved by the Audit Committee, who subsequently recommend it for the approval of the Board (with the exception of Directors deemed interested in each RRPT) or employees identified as our Group's key senior management (not being a Person Connected to the related party) designated by the Audit Committee, from time to time for such purpose. Approval of the Audit Committee and the Board is deemed obtained once majority approval of the respective non-interested members have been obtained.

The Eversafe Rubber Group has established the following procedures in relation to the RRPT:-

(i) the relevant employees of the Eversafe Rubber Group are notified of the identities of the related parties and will be required, prior to entering into such transaction, to ensure that all the RRPTs are consistent with the Eversafe Rubber Group's normal business practices and policies, on terms not more favourable to the related parties than those generally available to the public and not detrimental to the minority Shareholders;

(ii) at least 2 other contemporaneous transactions with unrelated third parties for similar products / services and/or quantities will be used as a comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products / services and/or quantities. In the event that the quotation or comparative pricing from unrelated third parties cannot be obtained *(for instance, if there are no unrelated third party vendors/customers of similar products or services, or if the product/service is a proprietary item),* the terms of the transactions for the products or services will be in accordance with usual business practices of the Eversafe Rubber Group;

(iii) records will be maintained by the management of Eversafe Rubber to capture all RRPTs entered into pursuant to the Proposed Renewal of Shareholders' Mandate;

(iv) additional information pertaining to the RRPTs may be requested from independent sources or advisers, if required;

(v) in accordance to the Listing Requirements, disclosure in relation to the breakdown of the aggregate value of the RRPTs entered into during the financial year will be made in the annual report;

(vi) the Audit Committee will review all RRPTs every quarter, with a detailed review of RRPTs exceeding RM1.0 million; and

(vii) the Audit Committee will consider, from time to time, whether the established guidelines and procedures for RRPTs have become inappropriate and/or it is unable to ensure that the transactions will be on normal commercial terms and/or will prejudice the interests of Shareholders generally. Notwithstanding that, the guidelines and procedures for RRPTs will be reviewed by the Audit Committee at least once in a financial year.

2.5 Statement by Audit Committee

The Audit Committee has reviewed the procedures mentioned in Section 2.4 of this Circular and is of the view that the procedures are sufficient to ensure that the RRPTs are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority Shareholders and that the Eversafe Rubber Group has in place adequate procedures and processes to monitor, track and identify the RRPT in a timely and orderly manner.

The Audit Committee conducts a review of the procedures and processes on a yearly basis or such frequency as the Audit Committee considers appropriate having regard to the value and frequency of the RRPTs.

2.6 Validity period of the Proposed Renewal of Shareholders' Mandate

The Proposed Renewal of Shareholders' Mandate, if approved by the Shareholders at the forthcoming AGM, will take effect from the date of the passing of the resolution at the forthcoming AGM and shall continue to be in force until:-

(i) the conclusion of the next AGM of the Company following the forthcoming AGM at which the Proposed Renewal of Shareholders' Mandate is passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM;

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act *(but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act)*; or

(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

3. RATIONALE AND BENEFITS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

By obtaining the Proposed Renewal of Shareholders' Mandate and the renewal of the same on an annual basis, the Company would eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when such RRPT occur. This will reduce administrative time and expenses in convening such meetings without compromising the corporate objectives of the Eversafe Rubber Group or adversely affecting the business opportunities available to the Eversafe Rubber Group.

The Proposed Renewal of Shareholders' Mandate is intended to facilitate transactions in the ordinary course of business of the Eversafe Rubber Group which are transacted from time to time with the Related Parties.

The Eversafe Rubber Group would have an advantage of familiarity with the background and management of the Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, the Eversafe Rubber Group and the Related Parties have close co-operation and a good understanding of each other's business needs thus providing a platform where all parties can benefit from conducting the RRPT.

4. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate does not have any effect on the issued share capital of the Company and substantial Shareholders' shareholdings in the Company. It is also not expected to have any material effect on the net assets per share, gearing and earnings per share of the Group.

Nevertheless, the Proposed Renewal of Shareholders' Mandate is in relation to transactions which relate to the Group's day-to-day operation and hence may contribute positively to the Group's financial performance.

5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSON(S) CONNECTED TO THEM

The direct and indirect interests of the interested Directors and interested Major Shareholders as at LPD are as follows:-

	<------Direct------>		<------Indirect------>	
	No. of Eversafe Rubber Shares	**%**	**No. of Eversafe Rubber Shares**	**%**
Interested Directors				
Dato' Seri Cheah Eu Kiat	15,388,238	6.40	(1)117,137,446	48.69
Cheah Siang Tee	750,000	0.31	-	-
Cheah Eu Lee	2,000,000	0.83	-	-
Interested Major Shareholders				
Tai Hin	116,893,546	48.59	-	-
Dato' Seri Cheah Eu Kiat	15,388,238	6.40	(1)117,137,446	48.69

Note:-

(1) Deemed interested by virtue of his interest in Tai Hin (116,893,546 ordinary shares) pursuant to Section 8 of the Act and the indirect interest of his daughter, Ms Cheah Siang Huay (243,900 ordinary shares) pursuant to Section 59(11)(c) of the Act.

By virtue of their directorships and shareholdings in Eversafe Rubber and the Related Parties as disclosed in Section 2.2 of this Circular, the interested Directors, namely Dato' Seri Cheah Eu Kiat, Cheah Siang Tee and Cheah Eu Lee have abstained and will continue to abstain from the Board's deliberations. They will also abstain from voting in respect of their direct and/or indirect shareholdings in Eversafe Rubber, on the resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

In addition, the interested Major Shareholders, namely Tai Hin and Dato' Seri Cheah Eu Kiat, will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

The aforementioned interested Directors and interested Major Shareholders have also undertaken to ensure that the Persons Connected to them (if any) will abstain from deliberating and/or voting in respect of their direct and/or indirect shareholdings on the resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

Save as disclosed above, none of the other Directors, Major Shareholders and/or Persons Connected to them has any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate.

6. APPROVAL REQUIRED

The Proposed Renewal of Shareholders' Mandate is conditional upon approval being obtained from the Shareholders at the forthcoming AGM to be convened.

7. DIRECTORS' RECOMMENDATION

The Board (save for the interested Directors), having considered all aspects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interests of the Company, fair, reasonable and on normal commercial terms and not detrimental to the interests of the minority Shareholders.

Accordingly, the Board (save for the interested Directors), recommends that you vote in favour of the resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the Company's forthcoming AGM.

8. AGM

The forthcoming AGM, the notice of which is enclosed in the Annual Report of the Company for the FYE 31 December 2022 will be held at Conference 2, Level 2, WEIL Hotel, 292 Jalan Sultan Idris Shah, 30000 Ipoh, Perak Darul Ridzuan on Tuesday, 23 May 2023 at 11.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution as set out in the Notice of AGM to give effect to the Proposed Renewal of Shareholders' Mandate.

If you are entitled but unable to attend and vote at the forthcoming AGM and wish to appoint a proxy or proxies to attend and vote on your behalf, you are requested to complete and return the Form of Proxy which can be downloaded from the Company's website at www.eversafe.com.my in accordance with the instructions printed thereon to the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic lodgement via TIIH Online website at https://tiih.online not less than 48 hours before the time for holding the meeting or any adjournment thereof. The lodging of the Form of Proxy will not, however, preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are advised to refer to the Appendix set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
EVERSAFE RUBBER BERHAD

NG MENG KWAI
Senior Independent Non-Executive Director

1. RESPONSIBILITY STATEMENT

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

2. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at LPD, the Eversafe Rubber Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant or otherwise, and our 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 may materially or adversely affect the financial position or business of the Group.

3. MATERIAL CONTRACTS

As at the LPD, the Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the 2 years immediately prior to the date of the Circular.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the AGM, at the Registered Office of the Company at 41, Jalan Medan Ipoh 6, Bandar Baru Medan Ipoh, 31400 Ipoh, Perak:-

(i) Constitution of Eversafe Rubber;

(ii) Audited consolidated financial statements of Eversafe Rubber for the FYE 31 December 2021 and FYE 31 December 2022.