



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Second Annual General Meeting of the Company will be held at Function Room 1, Level 1, Ixora Hotel, Jalan Baru, Bandar Perai Jaya, 13600 Perai, Penang on Friday, 24 May 2019 at 9.00 a.m.

A G E N D A

- To receive the Audited Financial Statements of the Company for the year ended 31 December 2018 together with the Reports of the Directors and of the Auditors thereon. *(Please refer to Note A)*
- To declare the following Dividends for the year ended 31 December 2018:
 - A Special Single Tier Dividend of 2.6 sen per share; *(Resolution 1)*
 - A First and Final Single Tier Dividend of 2.4 sen per share. *(Resolution 2)*
- To approve the payment of Directors' Fees of up to RM72,000 for the financial year ended 31 December 2018. *(Resolution 3)*
- To re-elect the following directors retiring under the respective provision of the Articles of Association of the Company, and who being eligible, offered themselves for re-election:
 - Chen, Chih-Wen Article 98(1) *(Resolution 4)*
 - Lee Chew Kooi Article 98(1) *(Resolution 5)*
- To approve the benefits payable (excluding Directors' Fees) to the Non-Executive Directors up to an amount of RM60,000 from 1 June 2019 until the next Annual General Meeting (AGM) of the Company. *(Resolution 6)*
- To re-appoint Messrs. Grant Thornton as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. *(Resolution 7)*

SPECIAL BUSINESS

7. To consider and if thought fit, to pass the following resolutions:

ORDINARY RESOLUTIONS

a) **Continue in Office as Independent Non-Executive Director(s)**

(i) "That authority be and is hereby given to Loo Hooi Beng to continue to serve as Independent Non-Executive Director of the Company," *(Resolution 8)*

(ii) "That authority be and is hereby given to Khoo Lay Tatt to continue to serve as Independent Non-Executive Chairman of the Company," *(Resolution 9)*

b) **Authority to Issue Shares**

"That pursuant to Companies Act 2016 and approvals from the Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant governmental/regulatory authorities where such authority shall be necessary, the Board of Directors be authorised to issue and allot shares in the Company from time to time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Board of Directors may, in its absolute discretion, deem fit provided that the aggregate number of shares to be issued shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, and that the Board of Directors be empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Securities." *(Resolution 10)*

c) **Renewal of Authority to Purchase its own Shares**

"That subject to the Companies Act 2016, provisions of the Company's Memorandum and Articles of Association ("M&A") and the requirements of the Bursa Securities and other relevant governmental and regulatory authorities where such authority shall be necessary, the Board of Directors be authorised to purchase its own shares through Bursa Securities, subject to the following:

i) 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 in the ordinary share capital of the Company at any point in time;

ii) The maximum fund to be allocated by the Company for the purpose of purchasing the Company's shares shall not exceed the retained profits of the Company. As at the latest financial year ended 31 December 2018, the audited retained profits of the Company stood at RM16,759,807;

iii) The authority conferred by this resolution will be effective immediately upon the passing of this resolution and shall continue to be in force until the conclusion of the next AGM of the Company, at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions or the expiration of the period within which the next AGM is required by law to be held or unless revoked or varied by ordinary resolution passed by the shareholders in a general meeting, whichever occurs first;

iv) Upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with in the following manner:

- to cancel the shares so purchased; or
- to retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of the Bursa Securities or subsequently cancelled; or
- to retain part of the shares so purchased as treasury shares and cancel the remainder.

The Directors of the Company be and are hereby authorised to take all such steps as are necessary and entering into all other agreements, arrangements, and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments, if any, as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares in accordance with the Companies Act 2016, provisions of the Company's M&A, and the requirements of the Bursa Securities and any other regulatory authorities, and other relevant approvals." *(Resolution 11)*

d) **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")** *(Resolution 12)*

"That, approval be and is hereby given for the purpose of Chapter 10 of Bursa Securities Main Market Listing Requirements for the Company and its group of companies to enter into any of the recurrent related party transactions of a revenue or trading nature which are necessary for its day-to-day operations as listed in Section 3 of the Circular to the shareholders dated 24 April 2019, provided that such transactions are carried out in the ordinary course of business, at arm's length, on normal commercial terms and on terms not more favourable to the Mandated Related Parties than those generally available to the public, are not to the detriment of the minority shareholders and disclosures on the breakdown of the aggregate value of these transactions conducted pursuant to the shareholders' mandate shall be made available in the Annual Report for the year ending 31 December 2019 ("the Mandate") and the Directors of the Company are hereby authorized to give effect to the various arrangements and/or transactions related to the above transactions and this shareholders' mandate.

And That the approval given above shall continue in force until:

- the conclusion of the next AGM of the Company following the general meeting at which the Mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed;
- the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier."

SPECIAL RESOLUTION

e) **Proposed Adoption of new Constitution of the Company**

"THAT approval be and is hereby given to alter or amend the whole of the existing M&A by the replacement thereof with a new Constitution of the Company as set out in Appendix A with immediate effect AND THAT the Board of Directors of the Company be and is hereby authorised to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing." *(Resolution 13)*

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN that the following Dividends for the year ended 31 December 2018, if approved, will be paid on 19 June 2019 to depositors registered in the Records of Depositors on 31 May 2019:

- A Special Single Tier Dividend of 2.6 sen per share; and
- A First and Final Single Tier Dividend of 2.4 sen per share.

A Depositor shall qualify for entitlement to the Dividend in respect of:

- shares transferred into the Depositor's Securities Account before 4.00 p.m. on 31 May 2019 in respect of transfers;
- shares deposited into the Depositor's Securities Account before 12.30 p.m. in respect of securities exempted from mandatory deposit; and
- shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board,

HOW WEE LING (MAICSA 7033850)

OUI EAN HOON (MAICSA 7057078)

Secretaries

Penang

Date: 24 April 2019

Notes:

A. *This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 and the Company's Articles of Association do not require a formal approval of the shareholders and hence, is not put forward for voting.*

- For the purpose of determining a member who shall be entitled to attend, speak and vote at the AGM, the Company shall be requesting the Record of Depositors as at 15 May 2019. Only a depositor whose name appears on the Record of Depositors as at 15 May 2019 shall be entitled to attend, speak and vote at the said meeting as well as for appointment of proxy(ies) to attend, speak and vote on his/ her stead.*
- A Member of the Company entitled to attend, speak and vote at the meeting is entitled to appoint up to two (2) proxies to attend and to vote in his place. If a Member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- The instrument appointing the proxy shall be in writing, executed by or on behalf of the appointer. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.*
- The instrument appointing a proxy must be deposited at the Registered Office, 57-G Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, 11900 Penang, not less than 24 hours before the time appointed for holding the meeting.*

Explanatory Note On Special Business:

1. Resolutions 8 and 9 – Continue in Office as Independent Non-Executive Director(s)

Mr. Loo Hooi Beng and Mr. Khoo Lay Tatt have served the Board as an Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years.

The Board had assessed the performance and independence of the aforesaid Directors and recommended that the approval of the shareholders be sought for the aforesaid Directors to continue to serve as the Independent Non-Executive Directors of the Company, based on the following justification:

- had fulfilled the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements of Bursa Securities (Main LR);
- had demonstrated throughout the terms of their office to be independent by exercising independent judgment when a matter is put before them for decision. Thus, they would be able to function as check and balance, provide broader view and brings an element of objectivity to the Board;
- had participated actively and contributed positively during deliberations or discussions at Board Meetings.
- Had performed their duty diligently and in the best interest of the Company and provides a broader view, independent and balanced assessment of proposals from the Management.

The proposed Resolutions 8 and 9, if passed, enable Mr. Loo Beng Hooi and Mr. Khoo Lay Tatt to continue to act as Independent Non-Executive Director of the Company. Otherwise, they will be re-designated as a Non-Independent Non-Executive Director and relinquish their position as an Independent Non-Executive Director of the Company upon the conclusion of the 22nd AGM.

2. Resolution 10 - Authority to issue Shares

The proposed Resolution No. 10, if passed, will grant a renewed general mandate (Mandate 2019) and empower the Directors of the Company to issue and allot shares up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company from time to time and for such purposes as the Directors consider would be in the interest of the Company. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders' approval. This authority will, unless revoked or varied by the Company in general meeting, expire at the next AGM of the Company.

The Mandate 2019 will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited for further placing of shares, for the purpose of funding future investment(s), acquisition(s) and/or working capital.

As at the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the 21st AGM. The Company did not issue any share pursuant to the mandate granted because there was no investment, acquisition or working capital that required fund raising activity.

3. Resolution 11 - Renewal of Authority to Purchase its own Shares

The proposed Resolution 11, if passed, will give the Directors of the Company authority to purchase its own shares up to ten per centum (10%) of the total number of issued shares of the Company. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders' approval. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next AGM.

4. Resolution 12 - Renewal of Proposed Shareholders' Mandate

The proposed Resolution 12, if passed, will enable the Company and/or its subsidiaries ("Group") to enter into recurrent transactions involving the interest of related parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transaction being carried out in the ordinary course of business at arm's length basis and on normal commercial terms not more favourable than those generally available to the public and not to the detriment of the minority shareholders of the Company.

Further information on the Proposed Shareholders' Mandate is set out in the Circular to shareholders dated 24 April 2019.

5. Resolution 13 - Adoption of new Constitution

The proposed amendments to the M&A (Proposed Amendments) are made mainly for the following purposes:

- To ensure compliance with the amended Main LR which was issued on 29 November 2017; and
- To provide clarity and consistency with the amendments that arise from the Companies Act 2016 effective 31 January 2017.

The Board proposed that the existing M&A be altered or amended by the Company in its entirety by the replacement thereof with a new Constitution which incorporated all the Proposed Amendments as set out in Appendix A, circulated together with the Notice of 22nd AGM. Such Proposed Resolution 13, shall take effect once it has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the 22nd AGM.