

FURNIWEB INDUSTRIAL PRODUCTS BERHAD (541706-V)
(Incorporated in Malaysia)

NOTICE OF TWELFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twelfth Annual General Meeting (“AGM”) of Furniweb Industrial Products Berhad (“FIPB”) will be held at Arcadia III, Level 3, Hotel Armada Petaling Jaya, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan, on Thursday, 27 June 2013 at 11.00 a.m. for the following purposes:

ORDINARY BUSINESS

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| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2012 together with the Directors’ and Auditors’ Reports thereon. | <i>Please refer to Explanatory Note A</i> |
| 2. | To approve a final tax exempt dividend of 3.0 sen per share for the financial year ended 31 December 2012. | <i>Resolution 1</i> |
| 3. | To approve the payment of Directors’ fees of RM290,000 for the financial year ended 31 December 2012. | <i>Resolution 2</i> |
| 4. | To re-elect the following Directors who retire in accordance with Article 84 of the Company’s Articles of Association: | |
| | 4.1 Dato’ Lim Heen Peok; | <i>Resolution 3</i> |
| | 4.2 Lim Chee Hoong; and | <i>Resolution 4</i> |
| | 4.3 Dato’ Haji Johar bin Murat @ Murad | <i>Resolution 5</i> |
| 5. | To re-appoint Messrs BDO as the Company’s Auditors and to authorise the Directors to fix their remuneration. | <i>Resolution 6</i> |

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following Ordinary Resolutions:

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| 6. | RETENTION OF DATO’ LIM HEEN PEOK AS INDEPENDENT DIRECTOR | <i>Resolution 7</i> |
| | “THAT subject to the passing of Resolution 3 above and in accordance with the Malaysian Code on Corporate Governance 2012 (“MCCG 2012”), Dato’ Lim Heen Peok be and is hereby retained as Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM.” | |
| 7. | RETENTION OF LIM CHEE HOONG AS INDEPENDENT DIRECTOR | <i>Resolution 8</i> |
| | “THAT subject to the passing of Resolution 4 above and in accordance with the MCCG 2012, Lim Chee Hoong be and is hereby retained as Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM.” | |

8. **RETENTION OF DATO' HAJI JOHAR BIN MURAT @ MURAD AS INDEPENDENT DIRECTOR** *Resolution 9*
- “THAT subject to the passing of Resolution 5 above and in accordance with the MCGG 2012, Dato' Haji Johar bin Murat @ Murad be and is hereby retained as Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM.”
9. **RETENTION OF DATO' HAMZAH BIN MOHD SALLEH AS INDEPENDENT DIRECTOR** *Resolution 10*
- “THAT in accordance with the MCGG 2012, Dato' Hamzah bin Mohd Salleh be and is hereby retained as Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM.”
10. **AUTHORITY UNDER SECTION 132D OF THE COMPANIES ACT, 1965 FOR THE DIRECTORS TO ISSUE SHARES** *Resolution 11*
- “THAT pursuant to Section 132D of the Companies Act, 1965, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue new shares in the Company at any time, at such price, upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the total issued share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad (“Bursa Securities”) for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.”
11. **PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK** *Resolution 12*
- “THAT subject always to the Companies Act, 1965 (“the Act”), provisions of the Company’s Memorandum and Articles of Association, the Listing Requirements of Bursa Securities and any other relevant authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of RM0.50 each in the Company as may be determined by the Directors from time to time through Bursa Securities, subject to the following:
- a) The aggregate number of shares which may be purchased by the Company shall not exceed ten per cent (10%) of the total issued and paid-up share capital of the Company at any point in time;
 - b) The maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the retained earnings and/or the share premium account of the Company. The audited retained earnings and the share premium account of the Company as at 31 December 2012 are RM3.404 million and RM0.368 million respectively;
 - c) The authority conferred by this resolution will be effective upon the passing of this resolution and will continue to be in force until:
 - i) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed, at which time the said authority will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

- ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- iii) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier;

- d) Upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manners:

- i) cancel the shares so purchased; or
- ii) retain the shares so purchased as treasury shares and held by the Company; or
- iii) retain part of the shares so purchased as treasury shares and cancel the remainder;

and the treasury shares may be distributed as dividends to the Company's shareholders and/or resold in the open market in accordance with the relevant rules of Bursa Securities and/or subsequently cancelled;

AND THAT authority be and is hereby unconditionally and generally given to the Directors of the Company to take all such steps as are necessary or expedient to implement, finalise and give full effect to the purchase of the Company's own shares, with full power to assent to any conditions, modifications, revaluations and/or amendments as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter in accordance with the Act, the provisions of the Memorandum and Articles of Association of the Company and the guidelines issued by Bursa Securities and any other relevant authorities."

12. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RRPT MANDATE")

Resolution 13

"THAT subject always to the provisions of the Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and its subsidiaries to enter into Recurrent Related Party Transactions of a revenue or trading nature as stated in Section 2.3 of Part B of the Circular to Shareholders dated 5 June 2013 with the specified classes of related parties mentioned therein which are necessary for the Group's day-to-day operations and are carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT the approval shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the AGM at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the

Companies Act, 1965 (“the Act”) (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

- (iii) revoked or varied by a resolution passed by the shareholders in a general meeting;

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Proposed RRPT Mandate.”

- 13. To consider and if thought fit, to pass with or without modifications, the following Special Resolution:

PROPOSED AMENDMENTS TO THE COMPANY’S ARTICLES OF ASSOCIATION

Resolution 14

“THAT the amendments to the Articles of Association of the Company as set out in Appendix I of the Annual Report 2012 be and is hereby approved AND THAT the Directors and/or the Secretary of the Company be hereby authorised to take all steps as they may consider necessary and expedient in order to give full effect to the Proposed Amendments to the Company’s Articles of Association.”

- 14. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965 and the Company’s Articles of Association.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT a final tax exempt dividend of 3.0 sen per share for the financial year ended 31 December 2012, if approved by the shareholders at the forthcoming Twelfth AGM, will be paid on 23 July 2013 to depositors registered in the Record of Depositors at the close of business on 8 July 2013.

A depositor shall qualify for entitlement only in respect of:

- a) Shares transferred into the depositor’s securities account before 4.00 p.m. on 8 July 2013 in respect of transfer; and
- b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

YEOH CHONG KEAT (MIA 2736)
LIM FEI CHIA (MAICSA 7036158)
Secretaries

Kuala Lumpur
5 June 2013

Notes:

- (i) *In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 June 2013 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this meeting.*
- (ii) *A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar (the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply).*
- (iii) *To be valid, the original proxy form, duly completed must be deposited at the registered office of the Company situated at Suite 11.1A, Level 11, Menara Weld, 76 Jalan Raja Chulan, 50200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.*
- (iv) *A member shall be entitled to appoint not more than two (2) proxies to attend and vote at this meeting and the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
- (v) *Where a member 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 authorized nominee may appoint in respect of each omnibus account it holds.*
- (vi) *If the appointor is a corporation this form must be executed under its common seal or under the hand of an officer or attorney duly authorised.*

Explanatory Note A

This agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the audited financial statements. As such, this item is not put forward for voting.

Explanatory Notes under Special Business

(a) Resolution 7 – Retention of Dato’ Lim Heen Peok as Independent Director

Dato’ Lim Heen Peok was appointed as an Independent Non-Executive Chairman of the Company on 25 November 2004 and will reach the nine (9) years term limit prescribed by the MCGG 2012 prior to the convening of the next AGM of the Company in 2014. In accordance with the MCGG 2012, the Board of Directors of the Company, after having assessed the independence of Dato’ Lim Heen Peok, considers him to be independent based on amongst others, the following justifications and recommends that Dato’ Lim be retained as Independent Non-Executive Director of the Company:

- (i) He has confirmed and declared that he is an Independent Director as defined under Paragraph 1.01 of the Listing Requirements of Bursa Securities;
- (ii) He does not have any conflict of interest with the Company and has not been entering/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies;
- (iii) He is currently not sitting on the board of any other public and/or private companies having the same nature of business as that of the Company and its subsidiary companies; and
- (iv) The Board is of the opinion that Dato’ Lim Heen Peok is an important Independent Non-Executive Chairman and Director of the Board in view of his many years on the Board with incumbent knowledge of the Company and the Group's activities and corporate history and has provided invaluable contributions to the Board in his role as an Independent Non-Executive Chairman and Director.

(b) Resolution 8 – Retention of Lim Chee Hoong as Independent Director

Mr Lim Chee Hoong was appointed as an Independent Non-Executive Director of the Company on 21 July 2003 and has reached the nine (9) years term limit prescribed by the MCGG 2012. In accordance with the MCGG 2012, the Board of Directors of the Company, after having assessed the independence of Mr Lim Chee Hoong, considers him to be independent based on amongst others, the following justifications and recommends that Mr Lim be retained as Independent Non-Executive Director of the Company:

- (i) He has confirmed and declared that he is an Independent Director as defined under Paragraph 1.01 of the Listing Requirements of Bursa Securities;
- (ii) He does not have any conflict of interest with the Company and has not been entering/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies;
- (iii) He is currently not sitting on the board of any other public and/or private companies having the same nature of business as that of the Company and its subsidiary companies; and
- (iv) The Board is of the opinion that Mr Lim Chee Hoong is an important Independent Non-Executive Director of the Board in view of his many years on the Board with incumbent knowledge of the Company and the Group's activities and corporate history and has provided invaluable contributions to the Board in his role as an Independent Non-Executive Director.

(c) Resolution 9 – Retention of Dato’ Haji Johar bin Murat @ Murad as Independent Director

Dato’ Haji Johar bin Murat @ Murad was appointed as an Independent Non-Executive Director of the Company on 21 July 2003 and has reached the nine (9) years term limit prescribed by the MCGG 2012. In accordance with the MCGG 2012, the Board of Directors of the Company, after having assessed the independence of Dato’ Haji

Johar bin Murat @ Murad, considers him to be independent based on amongst others, the following justifications and recommends that Dato' Haji Johar be retained as Independent Non-Executive Director of the Company:

- (i) He has confirmed and declared that he is an Independent Director as defined under Paragraph 1.01 of the Listing Requirements of Bursa Securities;
- (ii) He does not have any conflict of interest with the Company and has not been entering/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies;
- (iii) He is currently not sitting on the board of any other public and/or private companies having the same nature of business as that of the Company and its subsidiary companies; and
- (iv) The Board is of the opinion that Dato' Haji Johar bin Murat @ Murad is an important Independent Non-Executive Director of the Board in view of his many years on the Board with incumbent knowledge of the Company and the Group's activities and corporate history and has provided invaluable contributions to the Board in his role as an Independent Non-Executive Director.

(d) **Resolution 10 – Retention of Dato' Hamzah bin Mohd Salleh as Independent Director**

Dato' Hamzah bin Mohd Salleh was appointed as a Non-Independent Non-Executive Director of the Company on 21 July 2003 and was re-designated as an Independent Non-Executive Director on 28 April 2005. Dato Hamzah bin Mohd Salleh will reach the nine (9) years term limit prescribed by the MCG 2012 prior to the convening of the next AGM of the Company in 2014. In accordance with the MCG 2012, the Board of Directors of the Company, after having assessed the independence of Dato' Hamzah bin Mohd Salleh, considers him to be independent based on amongst others, the following justifications and recommends that Dato' Hamzah be retained as Independent Non-Executive Director of the Company:

- (i) He has confirmed and declared that he is an Independent Director as defined under Paragraph 1.01 of the Listing Requirements of Bursa Securities;
- (ii) He does not have any conflict of interest with the Company and has not been entering/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies;
- (iii) He is currently not sitting on the board of any other public and/or private companies having the same nature of business as that of the Company and its subsidiary companies; and
- (iv) The Board is of the opinion that Dato' Hamzah bin Mohd Salleh is an important Independent Non-Executive Director of the Board in view of his many years on the Board with incumbent knowledge of the Company and the Group's activities and corporate history and has provided invaluable contributions to the Board in his role as an Independent Non-Executive Director.

(e) **Resolution 11 - Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares**

This proposed resolution, if passed, will renew the authority given to the Directors of the Company to issue and allot new shares in the Company at any time, at such price, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit ("General Mandate"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the nominal value of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total issued share capital of the Company at the time of issue. This renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The General Mandate procured and approved in the preceding year 2012 which was not exercised by the Company during the year, will expire at the forthcoming Twelfth AGM of the Company.

With this renewed General Mandate, the Company will be able to raise funds expeditiously for the purpose of funding future investment, working capital and/or acquisition(s) without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

(f) **Resolution 12 – Proposed Renewal of Authority for Share Buy-Back**

This proposed resolution, if passed, will allow the Company to purchase its own shares up to 10% of the total issued and paid-up share capital of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next AGM of the Company. For further information on the Proposed Renewal of Authority for Share Buy-Back, please refer to Part A of the Circular to Shareholders dated 5 June 2013 despatched together with the Company's Annual Report 2012.

(g) **Resolution 13 – Proposed RRPT Mandate**

This proposed resolution, if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, particulars of which are as set out in Part B of the Circular to Shareholders of the Company dated 5 June 2013 despatched together with the Company's Annual Report 2012. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next AGM of the Company.

(h) **Resolution 14 – Proposed Amendments to the Company’s Articles of Association**

This proposed resolution, if passed, will streamline the Company’s Articles of Association with the provisions of the Act, the Listing Requirements of Bursa Securities as well as for housekeeping purpose. Further information on the proposed amendments to the Company’s Articles of Association is set out in Appendix I attached to the Annual Report 2012.