

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-First Annual General Meeting of the Company will be held at the Conference Room of Honsin Apparel Sdn. Bhd., 531 2½ Miles, Jalan Kluang, 83000 Batu Pahat, Johor on Monday, 09 December 2013 at 10.00 a.m. for the following purposes:-

### A G E N D A

#### As Ordinary Business:

- To receive the Audited Financial Statements for the financial year ended 31 July 2013 together with the Reports of the Directors and Auditors thereon.
- To approve the increase and payment of Directors' fees for the financial year ended 31 July 2013.
- To re-elect the following Directors who retire by rotation in accordance with Article 77 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:
  - Mr. Lau Mong Ying
  - Mr. Lau Mong Fah
- To consider and if thought fit, to pass the following special resolution in accordance with Section 129(6) of the Companies Act, 1965:-  
"That Mr. Lin, Cheng-Lang, retiring in accordance with Section 129 of the Companies Act, 1965 be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting of the Company."
- To approve the payment of a First and Final Franked Dividend of 2 sen per ordinary share, less income tax of 25% and a Special Tax Exempt Dividend of 1 sen per ordinary share, for the financial year ended 31 July 2013.
- To re-appoint Messrs. Grant Thornton as auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

**Please refer to  
Explanatory Note 7  
on Ordinary Business  
Resolution 1**

**Resolution 2  
Resolution 3**

**Resolution 4**

**Resolution 5**

**Resolution 6**

#### As Special Business:

- To consider and if thought fit, to pass with or without modifications, the following resolutions as Ordinary Resolutions:  
**CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS**
  - "That, authority be and is hereby given to En. Khadmudin Bin Mohamed Rafik who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company."
  - "That, authority be and is hereby given to Mr. Lin, Cheng-Lang who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company."
- To consider and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution:  
**AUTHORITY UNDER SECTION 132D OF THE COMPANIES ACT, 1965 FOR THE DIRECTORS TO ISSUE SHARES**  
"That, subject always to provisions of the Companies Act, 1965 ("the Act"), the Articles of Association of the Company and the approvals of the relevant government/regulatory authorities, the Directors be and are hereby authorised, pursuant to Section 132D of the Act, to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deemed fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total issued share capital of the Company for the time being and that the Directors are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares to be issued."
- To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:  
**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**  
"That the amendments to the Articles of Association of the Company as set out in the Annual Report for the financial year ended 31 July 2013 be hereby approved.  
And that the directors be hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all steps as may be considered necessary to give full effect to proposed amendments."
- To transact any other business of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

**Resolution 7**

**Resolution 8**

**Resolution 9**

**Resolution 10**

FURTHER NOTICE IS HEREBY GIVEN THAT only a depositor whose name appears on the Record of Depositors as at 02 December 2013 shall be entitled to attend the forthcoming Twenty-First Annual General Meeting or appoint proxies to attend and/vote on his/her behalf.

By Order of the Board,

**LEE PENG LOON (MACS 01258)**  
**P'NG CHIEW KEEM (MAICSA 7026443)**  
Company Secretaries

Date: 15 November 2013  
Penang

#### NOTES ON APPOINTMENT OF PROXY

- A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
- For a proxy to be valid, the proxy form duly completed, must be deposited at the registered office of the Company, 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time appointed for holding the meeting.
- A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- If the appointer is a corporation, the Proxy Form must be executed under the corporation's Common Seal or under the hand of an officer or attorney duly authorised.
- 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 Authorised Nominee may appoint in respect of each omnibus account it holds.

#### EXPLANATORY NOTE ON ORDINARY BUSINESS

- The Agenda 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders of the Company and hence, the Agenda 1 is not put forward for voting.

#### EXPLANATORY NOTES ON SPECIAL BUSINESS

- The proposed Resolutions 7 to 8, are to allow the Independent Non-Executive Directors to be retained and continue acting as Independent Non-Executive Directors to fulfill the requirements of Paragraph 3.04 of the Main Market Listing Requirements and to be in line with the recommendations 3.2 and 3.3 of the Malaysian Code of Corporate Governance 2012. The details of justifications are set out in the Statement of Corporate Governance in page 20 to 27 of the Company's 2013 Annual Report.
- The proposed Resolution 9, is to seek a renewal of the general mandate for the directors of the Company to allot and issue shares in the Company up to an amount not exceeding 10% of the total issued capital of the Company for the time being for such purposes as the directors consider will be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in general meeting will expire at the conclusion of the next Annual General Meeting.  
As at the date of notice of meeting, no new shares has been issued pursuant to the general mandate granted at the last Annual General Meeting of the Company.  
The general mandate for issue of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for the purpose of funding future investment, working capital and/or acquisition.
- The Resolution 10, if passed, will allow the directors to update the existing Company's Articles of Association for better clarification and to ensure consistency throughout the Company's Articles of Association and to be in line with the Main Market Listing Requirements.

#### NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a First & Final Franked Dividend of 2 sen per ordinary share, less income tax of 25% and a Special Tax Exempt Dividend of 1 sen per ordinary share for the financial year ended 31 July 2013, if approved, will be paid on 30 December 2013 to shareholders registered in the Record of Depositors of the Company on 17 December 2013.

A depositor shall qualify for entitlement only in respect of:

- Shares transferred into the depositor's securities account before 4.00p.m. on 17 December 2013 in respect of ordinary transfers; and
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board,

**LEE PENG LOON (MACS 01258)**  
**P'NG CHIEW KEEM (MAICSA 7026443)**  
Company Secretaries

Penang  
Date: 15 November 2013