

PROGRESSIVE IMPACT CORPORATION BERHAD (203352-V)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 22nd Annual General Meeting of the Company will be held at **Competitive Room, Ground Floor, MERCU PICORP, Lot 10, Jalan Astaka U8/84, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan** on **Tuesday, 27 May 2014, at 9.00 a.m.** to transact the following business:-

ORDINARY BUSINESS

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| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2013 together with the Directors' and Auditors' Reports thereon. | RESOLUTION 1 |
| 2. To approve the payment of the Final single-tier Dividend of 0.65 sen per share for the year ended 31 December 2013. | RESOLUTION 2 |
| 3. To re-elect the following Directors who shall retire in accordance with Article 83 of the Company's Articles of Association:-
i. Zaidah Binti Mohd Salleh
ii. Dato' Hajjah Rosnani Binti Ibarahim (Explanatory Note A) | RESOLUTION 3
RESOLUTION 4 |
| 4. To approve the Directors' Remuneration of RM322,800 for the year ended 31 December 2013. | RESOLUTION 5 |
| 5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. | RESOLUTION 6 |

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions, with or without modifications, as Ordinary Resolutions of the Company:-

6. ORDINARY RESOLUTION I

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

"THAT subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Renewal of the Existing Shareholders' Mandate for the Company and/or its subsidiaries to enter into and give effect to the category of the recurrent arrangements or transactions of a revenue or trading nature from time to time with the Related Parties, as specified in Section 2.2 of the Circular to Shareholders dated 5 May 2014, provided that such transactions are:-

- (i) recurrent transactions of a revenue or trading nature;
 - (ii) necessary for the Group's day-to-day operations;
 - (iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
 - (iv) not to the detriment of minority shareholders;
- (the "Mandate").

THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting of the Company following the Annual General Meeting at which such mandate was passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the meeting;
 - (ii) the expiration of the period within which the next Annual General Meeting 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 resolution passed by the shareholders in a general meeting;
- whichever is the earlier.

RESOLUTION 7

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

THAT the Directors of the Company be 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 to give effect to the Mandate."

7. **ORDINARY RESOLUTION II**

AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT 1965

"THAT pursuant to Section 132D of the Companies Act 1965, the Directors of the Company be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company unless revoked or varied by the Company at a general meeting."

RESOLUTION 8

8. **ORDINARY RESOLUTION III**

CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT authority be and is hereby given to Lee Weng Chong, who has served the Company as an Independent Non-Executive Director for more than nine (9) years, to continue act as an Independent Non-Executive Director of the Company."

RESOLUTION 9

9. To transact any other business of which due notice shall have been given in accordance with the Companies Act 1965.

NOTICE OF DIVIDEND PAYMENT

Notice is hereby given that a Final single-tier Dividend of 0.65 sen per share for the financial year ended 31 December 2013, if approved, will be paid on 16 June 2014. The entitlement date for the dividend payment is 30 May 2014.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

- (a) Shares transferred into the depositor's Securities Account on or before 4.00 p.m. on 30 May 2014 in respect of ordinary transfers; and
- (b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

ZAIDAH BINTI MOHD SALLEH (MIA 3313)

Company Secretary

Shah Alam

5 May 2014

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NOTES:-

- i) A member entitled to attend and vote is entitled to appoint up to 2 proxies to attend, vote and speak instead of him. A proxy may but need not be a member of the Company and the provision of Section 149(f)(b) of the Companies Act, 1965 shall not apply.
- ii) A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, can appoint not more than 2 proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- iii) 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.
- iv) Where a member or authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- v) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- vi) The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or notarially certified copy of that power of authority shall be deposited at the office of the Company's Share Registrar at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the Meeting or adjourned meeting.
- vii) For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 20 May 2014. Only a Member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, vote and speak on his/her behalf.

Explanatory Note A

Dato' Hajjah Rosnani Binti Ibarahim is standing for re-election as Director of the Company and being eligible, has offered herself for re-election at the 22nd Annual General Meeting. The Board has conducted an assessment on her independence and is satisfied that she has complied with the independence criteria applied by the Company.

EXPLANATORY NOTES TO SPECIAL BUSINESS:-

RESOLUTION 7

This proposed Resolution, if passed, will enable the Company and/or its subsidiaries 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 transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

For further information on the recurrent related party transactions, please refer to the Circular to Shareholders dated 5 May 2014 enclosed together with the Company's Annual Report 2013.

RESOLUTION 8

This proposed Resolution, if passed, will empower the Directors to issue up to a maximum of 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting ("AGM") or the expiration of the period within which the next AGM required by law to be held, whichever is earlier.

This proposed Resolution is a renewal of the previous year's mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time. The purpose of this general mandate is for possible fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 23 May 2013 and the mandate will lapse at the conclusion of the 22nd Annual General Meeting.

RESOLUTION 9

The Board has assessed the independence of Mr. Lee Weng Chong, who has served as an Independent Non-Executive Director of the Company for a term of nine (9) years, and recommended that he continues to act as an Independent Non-Executive Director of the Company based on the following justifications:-

- He fulfils the criteria defined under Para 1.01 of the Main Market Listing Requirements.
- His length of service as Independent Non-Executive Director of nine (9) years does not in any way interfere with his exercise of objective judgment or his ability to act in the best interests of the Company.
- He has a strong understanding of the Group's corporate history and business and has devoted sufficient time and commitment to discharge his responsibilities as an Independent Non-Executive Director.
- He has exercised due care during his tenure as Independent Non-Executive Director of the Company and participated actively in meetings, giving his independent views in a constructive manner and bringing an element of objectivity to the Board's decision making.