

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

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirteenth Annual General Meeting (“AGM”) of Furniweb Industrial Products Berhad (“FIPB”) will be held at Arcadia II, Level 3, Hotel Armada Petaling Jaya, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan on Thursday, 26 June 2014 at 11.00 a.m. for the following purposes:

ORDINARY BUSINESS

- | | | |
|----|---|---------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2013 together with the Directors’ and Auditors’ Reports thereon. | <i>Explanatory Note A</i> |
| 2. | To approve a final single tier dividend of 1.5 sen per share for the financial year ended 31 December 2013. | <i>Resolution 1</i> |
| 3. | To approve the payment of Directors’ fees of RM285,332 for the financial year ended 31 December 2013. | <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 Lee Sim Hak; and | <i>Resolution 3</i> |
| | 4.2 Ong Lock Hoo. | <i>Resolution 4</i> |
| 5. | To re-elect the following Directors who retire in accordance with Article 91 of the Company’s Articles of Association: | |
| | 5.1 Dato’ Lee Chee Leong; | <i>Resolution 5</i> |
| | 5.2 Wee Cheng Kwan; and | <i>Resolution 6</i> |
| | 5.3 Dato’ Lua Choon Hann. | <i>Resolution 7</i> |
| 6. | To re-appoint Messrs BDO as the Company’s Auditors and to authorise the Directors to fix their remuneration. | <i>Resolution 8</i> |

SPECIAL BUSINESS

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

- | | | |
|----|---|---------------------|
| 7. | ORDINARY RESOLUTION
RETENTION OF DATO’ LIM HEEN PEOK AS INDEPENDENT DIRECTOR | <i>Resolution 9</i> |
|----|---|---------------------|

“THAT 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 be designated as such until the conclusion of the next Annual General Meeting, subject to the provisions of the relevant regulatory authorities.”

8. **ORDINARY RESOLUTION**
RETENTION OF LIM CHEE HOONG AS INDEPENDENT DIRECTOR *Resolution 10*
- “THAT in accordance with the MCCG 2012, Lim Chee Hoong be and is hereby retained as Independent Non-Executive Director of the Company and be designated as such until the conclusion of the next Annual General Meeting, subject to the provisions of the relevant regulatory authorities.”
9. **ORDINARY RESOLUTION**
RETENTION OF DATO’ HAMZAH BIN MOHD SALLEH AS INDEPENDENT DIRECTOR *Resolution 11*
- “THAT in accordance with the MCCG 2012, Dato’ Hamzah bin Mohd Salleh be and is hereby retained as Independent Non-Executive Director of the Company and be designated as such until the conclusion of the next Annual General Meeting, subject to the provisions of the relevant regulatory authorities.”
10. **ORDINARY RESOLUTION**
AUTHORITY UNDER SECTION 132D OF THE COMPANIES ACT, 1965 FOR THE DIRECTORS TO ISSUE SHARES *Resolution 12*
- “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. **ORDINARY RESOLUTION**
PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK *Resolution 13*
- “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 2013 are RM12.197 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. **ORDINARY RESOLUTION**
PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RRPT MANDATE")

Resolution 14

"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 4 June 2014 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. **ORDINARY RESOLUTION**
PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE COMPANY ("PROPOSED INCREASE")

Resolution 15

"THAT subject to the passing of the Special Resolution below on the Proposed Amendment to the Memorandum of Association, the authorised share capital of the Company be hereby increased from RM100,000,000 divided into 200,000,000 ordinary shares of RM0.50 each to RM1,000,000,000 divided into 2,000,000,000 ordinary shares of RM0.50 each by the creation of 1,800,000,000 new ordinary shares of RM0.50 each.

AND THAT the Directors be and are authorised to execute all relevant documents as may be required and do all such acts and things as they may consider necessary or expedient in order to give full effect to the Proposed Increase, with full power to assent to any conditions, modifications, variations and/or amendments as may be required, in the best interest of the Company."

14. **SPECIAL RESOLUTION**
PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY ("PROPOSED AMENDMENT")

Resolution 16

"THAT subject to the passing of the above Ordinary Resolution on the Proposed Increase of Authorised Share Capital, the deletions, alterations, modifications, variations and additions to the Memorandum of Association of the Company, more particularly set out below, be and is hereby approved:

	Existing provisions	New provisions
Clause 5 of Memorandum of Association	The capital of the Company is <u>RM100,000,000</u> Malaysian Ringgit divided into <u>200,000,000</u> shares of RM0.50 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights or privileges, conditions or restrictions as to dividends, capital, voting or otherwise.	The share capital of the Company is <u>RM1,000,000,000</u> Malaysian Ringgit divided into <u>2,000,000,000</u> ordinary shares of RM0.50 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights or privileges, conditions or restrictions as to dividends, capital, voting or otherwise.

AND THAT the Directors be and are authorised to execute all relevant documents as may be required and do all such acts and things as they may consider necessary or expedient in order to give full effect to the Proposed Amendment, with full power to assent to any conditions, modifications, variations and/or amendments as may be required, in the best interest of the Company.”

15. 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 single tier dividend of 1.5 sen per share for the financial year ended 31 December 2013, if approved by the shareholders at the forthcoming Thirteenth AGM, will be paid on 23 September 2014 to depositors registered in the Record of Depositors at the close of business on 8 September 2014.

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 September 2014 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
4 June 2014

Notes:

- (i) *In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 June 2014 (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. Where a member appoints two (2) proxies, he/she shall specify the proportions of his/her shareholdings to be represented by each proxy failing which, the appointment shall be invalid.*
- (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 9 – Retention of Dato’ Lim Heen Peok as Independent Director

Dato’ Lim Heen Peok has served the Company as an Independent Non-Executive Chairman for a cumulative period of more than nine (9) years. In accordance with the MCGG 2012, the Nomination Committee and 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 unbiased, objective and independent judgment as well as invaluable contributions to the Board in his role as an Independent Non-Executive Chairman and Director of the Company.

(b) Resolution 10 – Retention of Lim Chee Hoong as Independent Director

Mr Lim Chee Hoong has served the Company as an Independent Non-Executive Director for a cumulative period of more than nine (9) years. In accordance with the MCGG 2012, the Nomination Committee and 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 unbiased, objective and independent judgment as well as invaluable contributions to the Board in his role as an Independent Non-Executive Director of the Company.

(c) **Resolution 11 – Retention of Dato’ Hamzah bin Mohd Salleh as Independent Director**

Dato’ Hamzah bin Mohd Salleh has served the Company as an Independent Non-Executive Director for a cumulative period of more than nine (9) years. In accordance with the MCCG 2012, the Nomination Committee and 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 unbiased, objective and independent judgment as well as invaluable contributions to the Board in his role as an Independent Non-Executive Director.

(d) **Resolution 12 - 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 2013 which was not exercised by the Company during the year, will expire at the forthcoming Thirteenth 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.

(e) **Resolution 13 – 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 4 June 2014 despatched together with the Company’s Annual Report 2013.

(f) **Resolution 14 – 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 4 June 2014 despatched together with the Company’s Annual Report 2013. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next AGM of the Company.

(g) **Resolution 15 – Proposed Increase of Authorised Share Capital**

The Proposed Increase of Authorised Share Capital is intended to accommodate the issuance and allotment by the Directors of new shares in the Company pursuant to Section 132D of the Companies Act, 1965 and facilitate future corporate exercise(s) involving issuance of additional new shares in the Company and/or other securities convertible/exercisable into new shares without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

(h) **Resolution 16 – Proposed Amendment to Memorandum of Association**

The Proposed Amendment to the Memorandum of Association is intended to facilitate the Proposed Increase of the Authorised Share Capital.