

FEDERAL FURNITURE HOLDINGS (M) BERHAD

(Company No. 97092-W)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-First Annual General Meeting of Federal Furniture Holdings (M) Berhad will be held at Level P1, Menara Choy Fook On, No. 1B, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan on Friday, 27 June 2014 at 3.00 p.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2013 together with the Reports of the Directors and the Auditors thereon. Please refer to Explanatory Note (1)

2. To approve Directors' fees for the financial year ended 31 December 2013. (Resolution 1)

3. To consider and if thought fit, to pass the following ordinary resolution in accordance with Section 129(6) of the Companies Act, 1965: -

"THAT pursuant to Section 129(6) of the Companies Act, 1965, Dato' Dr. Choy Fook On who has exceeded the age of 70 years be and is hereby re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting."
(Resolution 2)

4. To consider and if thought fit, to pass the following ordinary resolution in accordance with Section 129(6) of the Companies Act, 1965: -

"THAT pursuant to Section 129(6) of the Companies Act, 1965, Datin Tan Geok Foong who has exceeded the age of 70 years be and is hereby re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting."
(Resolution 3)

5. To re-elect Datuk Choy Wai Ceong who retire in accordance with Article 98 of the Company's Articles of Association and who being eligible, offered himself for re-election. (Resolution 4)

6. To re-appoint Messrs. Baker Tilly Monteiro Heng as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. (Resolution 5)

7. **As Special Business:-**

To consider and, if thought fit, to pass the following ordinary resolutions:-

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Ordinary Resolution 1

- Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

"THAT subject to Section 132D of the Companies Act, 1965 ("the Act") and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons 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 ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad ("Bursa Securities"); AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.

(Resolution 6)

8. Ordinary Resolution 2

- Retention of Independent Non-Executive Director

"To retain Tuan Haji Hussein Bin Hamzah who has served for more than nine (9) years as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012."

(Resolution 7)

9. Ordinary Resolution 3

- Proposed Authority for the Company to Purchase Its Own Shares of up to 10% Of the Issued And Paid-Up Share Capital of the Company

"THAT subject always to the Act, rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Securities, and the approvals of all relevant governmental and/or regulatory authorities, the Company be authorised to the extent permitted by the law, to buy back such amount of ordinary shares of RM0.50 each in the Company's issued and paid-up capital as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors deem fit and expedient in the interest of the Company provided that:-

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- i. the aggregate number of ordinary shares purchased and/or held by the Company as treasury shares shall not exceed 10% of the total issued and paid-up share capital of the Company at any point in time; and
- ii. the maximum amount of funds to be allocated for the share buy-back shall not exceed the aggregate of the retained profits and/or share premium of the Company.

THAT the Directors of the Company be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manners:-

- a) cancel all the purchased ordinary shares; and/or
- b) retain the purchased ordinary shares as treasury shares for distribution as dividend to shareholders and/ or resell on the market of Bursa Securities; and/ or
- c) retain part of the purchased ordinary shares as treasury shares and cancel the remainder.

THAT the authority conferred by this resolution shall continue to be in force until:-

- i. the conclusion of the next annual general meeting of the Company following the general meeting at which such resolution was passed at which time it will lapse unless by 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 annual general meeting after that date is required by law to be held; or
- iii. revoked or varied by ordinary resolution passed by shareholders of the company at a general meeting of the company.

whichever occurs first;

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary and/ or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full power to assent to any conditions, modifications, revaluations, variations and/ or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the shares bought-back) in accordance with the Act, the provisions of the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Securities, and all other relevant governmental and/or regulatory authorities."

(Resolution 8)

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10. To transact any other business for which due notice has been given.

By Order of the Board

Chua Siew Chuan (MAICSA 0777689)
Mak Chooi Peng (MAICSA 7017931)
Company Secretaries

Selangor Darul Ehsan
5 June 2014

Explanatory Notes:-

1. Item 1 of the Agenda

The 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. Hence, this Agenda item is not put forward for voting.

2. Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

The above Ordinary Resolution, if passed, will empower the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the issued share capital of the Company for the time being.

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

The General Mandate is a renewal. 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 Thirtieth Annual General Meeting held on 28 June 2013 and which will lapse at the conclusion of the Thirty-First Annual General Meeting.

3. Retention as Independent Non-Executive Director of the Company pursuant to the Malaysian Code on Corporate Governance 2012

Tuan Haji Hussein Bin Hamzah was appointed as an Independent Non-Executive Director of the Company on 7 August 2004. He has served for more than nine (9) years as at the date of the notice of Annual General Meeting. The Board believes that Tuan Haji Hussein Bin Hamzah has the integrity and ability to discharge his responsibilities as an independent director and bring valuable insight to the Company's business gained over the years with the Company and recommends that he should be retained as an Independent Non-Executive Director.

4. Proposed Authority for the Company to Purchase Its Own Shares of up to 10% of the Issued and Paid-Up Share Capital of the Company

The proposed adoption of the above Ordinary Resolution, if passed, will empower the Directors to purchase the Company's shares up to ten percent (10%) of the issued and paid up capital of the Company by utilizing the retained profit and the share premium accounts 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.

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Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 June 2014 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.
2. A member entitled to attend and vote at the Meeting is entitled to appoint more than one proxy to attend and vote in his stead. A proxy may but does not need to be a member of the Company and the provisions of Section 149 (1)(b) of the Companies Act, 1965 need not be complied with. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting. Notwithstanding this, a member entitled to attend and vote at the meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualifications of the proxy.
3. 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.
4. 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.
5. The instruments appointing a proxy must be deposited at the registered office, Level P1, Menara Choy Fook On, No.1B, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the meeting or any adjournment thereof.