

Notice of Annual General Meeting



THREE-A RESOURCES BERHAD
481339-M
Incorporated in Malaysia

NOTICE IS HEREBY GIVEN THAT the Thirteenth Annual General Meeting of the Company will be held at Ballroom Level 1, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday 5th May 2015 at 11.00 a.m. for the following purposes:-

AGENDA

- To receive the audited Financial Statements for the financial year ended 31st December 2014 and the Reports of the Directors and Auditors thereon. **(Resolution 1)**
- To approve the payment of Directors' fees of RM190,500 for the financial year ended 31 December 2014 (2013: NIL). **(Resolution 2)**
- To re-elect the following Directors who retire by rotation pursuant to Article 86 of the Company's Articles of Association:-
 - Dato' Mohd Nor Bin Abdul Wahid **(Resolution 3)**
 - Mr. Fang Chew Ham **(Resolution 4)**
 - Mr. Chew Eng Chai **(Resolution 5)**
- To consider and if thought fit, pass the following Resolution in accordance with Section 129(6) of the Companies Act 1965:-
 - "That Mr. Tan Chon Sing @ Tan Kim Tieng, retiring pursuant to Section 129(6) 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." **(Resolution 6)**
 - "That Mr. Fong Chu King @ Tong Chu King, retiring pursuant to Section 129(6) 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." **(Resolution 7)**
- To re-elect the following Director who retire pursuant to Article 93 of the Company's Articles of Association:-
 - Mr. Sun You Ning **(Resolution 8)**
- To re-appoint Auditors of the Company and to authorize the Directors to fix their remuneration. **(Resolution 9)**
- As special business, to consider and if thought fit, to pass the following resolutions with or without modifications:

Ordinary Resolutions

7.1 Authority to Directors to Allot and Issue Shares Pursuant to Section 132D of the Companies Act 1965

"That subject to the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act 1965 to allot and issue new ordinary shares of RM0.20 in the Company at any time and upon such terms and conditions and for such purposes as the Directors, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution in any one financial year does not exceed ten per centum (10%) of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing and quotation of the additional shares so issued on the 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." **(Resolution 10)**

7.2 Proposed Renewal of Existing Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given to the Company and its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature with the related parties ("Recurrent Related Party Transactions") as set out in Section 2.4 of the Circular to Shareholders dated 8 April 2015 ("the Circular") subject further to the following:-

- the Recurrent Related Party Transactions are entered into in the ordinary course of business on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and the Recurrent Related Party Transactions are undertaken on arms' length basis and are not to the detriment to the minority shareholders of the Company; and
- the disclosure of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to this shareholders' mandate during the financial year of the Company is made in the annual report by providing a breakdown of the aggregate value of the Recurrent Related Party Transactions, amongst others, based on the following information:-

- the type of Recurrent Related Party Transactions made; and
- the names of the related parties involved in each type of Recurrent Related Party Transactions made and their relationships with the Company and its subsidiaries.

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

- the conclusion of next Annual General Meeting of the Company, at which time it will lapse, unless by a resolution passed at the said Annual General Meeting, the authority is renewed;
- the expiration of the period within which the next Annual General Meeting after the date it 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
- revoke or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

AND THAT authority be and is hereby given to the Directors of the Company (or any of them) to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by the Ordinary Resolution.

AND THAT, the estimates given of the Recurrent Related Transactions specified in Section 2.4 of the Circular being provisional in nature, the Directors and/or any of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the procedures set out in Section 2.4 of the Circular." **(Resolution 11)**

7.3 Proposed Renewal of Authority for the Company to purchase its own shares

"THAT, subject always to the Companies Act, 1965 ("Act"), the provisions of the Memorandum and Articles of Association of the Company and the Listing Requirements ("Listing Requirements") of the Bursa Malaysia Securities Berhad and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to the fullest extent permitted by law, to buy-back and/or hold from time to time and at any time such amount of ordinary shares of RM0.20 each in the Company as may be determined by the Board of Directors from time to time as they deem fit and expedient in the best interests of the Company ("the Proposed Share Buy-Back") provided that:-

- The aggregate number of Shares bought back and/or held does not exceed ten per centum (10%) of the total issued and paid up share capital of the Company subject to the restrictions that the issued and paid up capital of the Company does not fall below the applicable minimum share capital requirement of the Listing Requirements;
- The maximum funds to be allocated for the buy-back of the Company's own shares shall not exceed the total retained profits and the share premium account of the Company;
- As prescribed by the act, rules, regulations and orders made pursuant to the act and the requirements of Bursa Securities and any other relevant authority for the time being in force; and

THAT upon completion of the buy-back of the Company of its own Shares, the Directors of the Company are authorised to deal with the shares so bought back in any of the following manner:-

- the shares so purchased may be cancelled; and/or
- the shares so purchased may be retained as treasury shares and held by the Company; or
- 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 shareholders of the Company and/or resold on the market of Bursa Malaysia Securities Berhad and/or subsequently cancelled; and/or any combination of the three and in any other manner;

The approval conferred by this resolution will commence immediately upon the passing of this resolution and will expire at the conclusion of the next annual general meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed, either unconditionally or subject to conditions, or the expiration of the period within which the next annual general meeting after that date is required by law to be held, or the revocation or variation by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever is the earliest;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy Back (including without limitation, the appointment of stockbroker firm and the opening and maintenance of a Central Depository Account designated as a Share Buy-Back Account) with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act 1965, the provisions of the Company's Memorandum and Articles of Association and the requirements of Bursa Malaysia Securities Berhad and all other relevant governmental/regulatory authorities. **(Resolution 12)**

7.4 To consider and if thought fit, to pass the following resolution in accordance with the Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012

"That Mr. Chew Eng Chai who has served the Board as the Independent Non-Executive Director of the Company for more than ten (10) years since 17 June 2002 be and is hereby retained as an Independent Non-Executive Director of the Company." **(Resolution 13)**

7.5 To consider and if thought fit, to pass the following resolution in accordance with the Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012

"That subject to the passing of the above resolution 6, Mr. Tan Chon Sing @ Tan Kim Tieng who has served the Board as the Independent Non-Executive Director of the Company for more than ten (10) years since 17 June 2012 be and is hereby retained as an Independent Non-Executive Director of the Company." **(Resolution 14)**

- To consider any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

NG BEE LIAN (MAICSA 7041392)
Company Secretary

Kuala Lumpur
Date: 8 April 2015

EXPLANATORY NOTES TO SPECIAL BUSINESS:-

1. Authority to Directors to Allot and Issue Shares Pursuant to Section 132 D of the Companies Act 1965 (Resolution 10)

The proposed resolution No. 10, if passed, is to empower the Directors to issue up to a maximum of ten (10) per centum of the total paid up share capital of the Company for the time being without convening a general meeting for such purposes as the Directors would be in the interest of the Company. This renewed authority unless revoked or varied by the Company at a general meeting will expire at the next Annual General Meeting. No shares had been issued by the Company since obtaining the authority from its shareholders at the last Annual General Meeting held on 28 May 2014. The renewal of the general mandate, if granted, 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 project(s), working capital and/or acquisition.

2. Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Resolution 11)

For further information on proposed resolution No.11, please refer to the Circular to Shareholders dated 8 April 2015 accompanying the Company's Annual Report for the financial year ended 31 December 2014.

3. Proposed Renewal of Authority for the Company to purchase its own shares (Resolution 12)

The proposed resolution No. 12, if passed, will provide the mandate for the Company to buy back its own shares up to a limit of 10% of the issued and paid up share capital of the Company.

4. To Retain the designation of Mr. Chew Eng Chai as the Independent Non-Executive Director of the Company in accordance with the Recommendation 3.3 of the Malaysian Code of Corporate Governance 2012 (Resolution 13)

Mr. Chew Eng Chai has served the Board as the Independent Non-Executive Director of the Company for more than ten (10) years since 17 June 2002. The Board recommends retaining his designation as Independent Non-Executive Director due to the following reasons:-

- He has fulfilled the criteria under the definition of Independent Directors pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- He has ensured effective check and balance in the proceedings of the Board and the Board Committees;
- He has actively participated in Board deliberations, provided objectivity in decision-making and an independent voice to the Board and contributed in preventing Board domination by any single party;
- His vast experience in finance and manufacturing industry would enable him to provide the Board with a diverse set of experience, expertise and independent judgement to better manage and run the Group;
- He has devoted sufficient time and attention to his responsibilities as Independent Non-Executive Director of the Company; and
- He has exercised his due care in the interest of the Company and shareholders during his tenure as Independent Non-Executive Director of the Company.

5. To Retain the designation of Mr. Tan Chon Sing @ Tan Kim Tieng as the Independent Non-Executive Director of the Company in accordance with the Recommendation 3.3 of the Malaysian Code of Corporate Governance 2012 (Resolution 14)

Mr. Tan Chon Sing @ Tan Kim Tieng has served the Board as the Independent Non-Executive Director of the Company for more than ten (10) years since 17 June 2002. The Board recommends retaining his designation as Independent Non-Executive Director due to the following reasons:-

- He has fulfilled the criteria under the definition of Independent Directors pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- He has ensured effective check and balance in the proceedings of the Board and the Board Committees;
- He has actively participated in Board deliberations, provided objectivity in decision-making and an independent voice to the Board and contributed in preventing Board domination by any single party;
- His vast experience in finance and manufacturing industry would enable him to provide the Board with a diverse set of experience, expertise and independent judgement to better manage and run the Group;
- He has devoted sufficient time and attention to his responsibilities as Independent Non-Executive Director of the Company; and
- He has exercised his due care in the interest of the Company and shareholders during his tenure as Independent Non-Executive Director of the Company.

NOTES:-

- A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.
- The proxy form must be duly completed and deposited at the registered office of the Company at AL 308, Lot 590 & Lot 4196, Jalan Industri, U19, Kampung Baru Sungai Buloh, 40160 Shah Alam, Selangor D.E. not less than 48 hours before the time for holding the meeting. Provided that in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/his/her proxy, PROVIDED always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).
- A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Act are complied with.
- 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. Where the appointer is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
- For the purpose of determining a member who shall be entitled to attend the Thirteenth Annual General Meeting, the Company shall request Bursa Malaysia Depository Sdn. Bhd. in accordance with Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a General Meeting Record of Depositor as at 27 April 2015. Only depositors whose names appear in the Record of Depositors as at 27 April 2015 shall be entitled to attend the said meeting or appoint a proxy to attend and/or vote in his stead.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect with each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- 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 nominees may appoint in respect of each omnibus account it holds.