

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-First (21st) Annual General Meeting ("AGM") of **HeveaBoard Berhad** will be held at The Royale Bintang Resort & Spa Seremban, Ampangan Room, Mezzanine Floor, Jalan Dato' A.S. Dawood, 70100 Seremban, Negeri Sembilan on Friday, 19 June 2015 at 10.00 a.m., for the purpose of considering the following businesses:

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2014 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**
2. To approve a single-tier final dividend of 2.5 sen per ordinary share of RM1.00 each for the financial year ended 31 December 2014. **Ordinary Resolution 1**
3. To approve the payment of Directors' fees of RM591,050.00 for the financial year ended 31 December 2014. **Ordinary Resolution 2**
4. To re-elect Mr Lim Kah Poon, the Director who is retiring pursuant to Article 123 of the Company's Articles of Association, and being eligible, offered himself for re-election. **Ordinary Resolution 3**
5. To re-elect Mr Bailey Policarpio, the Director who is retiring pursuant to Article 123 of the Company's Articles of Association, and being eligible, offered himself for re-election. **Ordinary Resolution 4**
6. To re-appoint Tan Sri Dato' Chan Choong Tack @ Chan Choong Tak, the Director who is over the age of seventy (70) years, and is retiring pursuant to Section 129 (6) of the Companies Act, 1965, and being eligible, offered himself for re-appointment. **Ordinary Resolution 5**
7. To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

Special Business

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

8. **Authority to Issue Shares** **Ordinary Resolution 7**
"THAT subject always to the Companies Act, 1965, Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965 to issue and allot not more than ten per centum (10%) of the issued share capital of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof."

9. **Proposed Renewal of Authority for Purchase of Own Shares by the Company ("Proposed Renewal of Authority")** **Ordinary Resolution 8**

"THAT subject to the Companies Act, 1965 (the "Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares of RM1.00 each in the Company 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 may deem fit and expedient in the interest of the Company provided that:

- (i) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall be backed by an equivalent amount of retained profits and share premium; and
- (iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends.

AND THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto."

10. **Retention of Independent Non-Executive Directors Pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012**

"THAT subject to the passing of Resolution 3 and pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, Mr Lim Kah Poon who has served the Board as an Independent Non-Executive Director of the Company for a term of more than nine (9) years since 1 October 2004 be and is hereby retained as an Independent Non-Executive Director of the Company." **Ordinary Resolution 9**

"THAT subject to the passing of Resolution 5 and pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, Tan Sri Dato' Chan Choong Tack @ Chan Choong Tak who has served the Board as an Independent Non-Executive Director of the Company for a term of more than nine (9) years since 1 October 2004 be and is hereby retained as an Independent Non-Executive Director of the Company." **Ordinary Resolution 10**

Any Other Business

11. To transact any other ordinary business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the Twenty-First (21st) AGM, a single-tier final dividend of 2.5 sen per ordinary share of RM1.00 each for the financial year ended 31 December

2014 will be payable on 3 August 2015 to holders of ordinary shares registered in the Record of Depositors at the close of business on 6 July 2015.

A depositor shall qualify for entitlement only in respect of:

- a. Shares transferred into the Depositor's Securities Account on or before 4.00 p.m. on 6 July 2015 in respect of ordinary transfers; and
- b. Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

WONG YOUN KIM (MAICSA 7018778)
Company Secretary

Kuala Lumpur
28 May 2015

Notes:

1. A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his/her proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
2. The instrument appointing a proxy shall be in writing executed by or on behalf of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
3. 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.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan at least forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
5. **GENERAL MEETING RECORD OF DEPOSITORS**
For the purposes of determining a member who shall be entitled to attend this Twenty-First (21st) AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 74 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, to issue a General Meeting Record of Depositors as at 15 June 2015. Only a depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxies to attend and/or vote on his/her behalf.
6. **EXPLANATORY NOTES ON ORDINARY/SPECIAL BUSINESS**

- (i) Item 1 of the Agenda

This Agenda item is meant for discussion only, as the provision of Section 169(1) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

- (ii) **Ordinary Resolution 5** – Re-appointment of Director pursuant to Section 129(6) of the Companies Act, 1965

The re-appointment of Tan Sri Dato' Chan Choong Tack @ Chan Choong Tak, being over the age of seventy (70) years as Director of the Company to hold office until the conclusion of the next AGM of the Company shall take effect if the Resolution 4 has been passed by a majority of not less than three-fourth (3/4) of such members as being entitled to vote in person or, where proxies are allowed, by proxy, at the Twenty-First (21st) AGM of which not less than twenty one (21) days' notice has been duly given.

- (iii) **Ordinary Resolution 7** – Authority to Issue Shares

The proposed Ordinary Resolution 7, if passed, will give flexibility to the Directors of the Company to issue shares up to a maximum of ten per centum (10%) of the issued share capital of the Company at the time of such issuance of shares and for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

This is the renewal of the mandate obtained from the shareholders at the last AGM held on 18 June 2014 ("the previous mandate"). The purpose of this general mandate sought will provide flexibility to the Company for any possible fund raising activities but not limited for further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

Pursuant to the Private Placement proposal approved by Bursa Malaysia Securities Berhad ("Bursa Securities") on 17 April 2014 for listing of and quotation for up to 13,306,667 new ordinary shares of RM1.00 each in the Company, the Company had issued 9,040,000 Placement Shares representing ten per centum (10%) of the issued and paid-up capital of the Company during the period from May to July 2014, whereby a total of 2,700,000 ordinary shares of RM1.00 each and 6,340,000 ordinary shares of RM1.00 each were issued pursuant to the previous mandates granted to the Directors at the AGMs held on 18 June 2013 and 18 June 2014 respectively. The total proceeds raised from the private placement exercise amounting to RM11,368,000.00 was fully utilised in the following manner:

Details of utilisation	RM'000
Capital expenditures	3,500
Repayment of bank borrowings	4,000
Working capital	3,568
Listing expenses	300
Total	11,368

- (iv) **Ordinary Resolution 8** – Proposed Renewal of Authority for Purchase of Own Shares by the Company

The proposed Ordinary Resolution 8, if passed, will empower the Company to purchase and/or hold up to ten per centum (10%) of the issued and paid-up share capital of the Company. This authority unless revoked or varied by the Company at a general meeting will expire at the next AGM. Please refer to the Circular to Shareholders dated 22 April 2015 for further information.

- (v) **Ordinary Resolutions 9 and 10** – Retention of Independent Non-Executive Directors Pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012

The Nomination Committee has assessed the independence of Tan Sri Dato' Chan Choong Tack @ Chan Choong Tak and Mr Lim Kah Poon, who both have served as Independent Non-Executive Directors of the Company for a term of more than nine (9) years and recommended both of them to continue to act as Independent Non-Executive Directors of the Company on the following justifications:

- (a) Tan Sri Dato' Chan Choong Tack @ Chan Choong Tak and Mr Lim Kah Poon have fulfilled the criteria stated under the definition of Independent Director as defined in the Listing Requirements of Bursa Securities and they would be able to provide proper check and balance thus bringing an element of objectivity to the Board;
- (b) Their length of services on the Board of more than nine (9) years each do not in any way interfere with the exercise of objective judgement or their ability to act in the best interest of the Company and the Group. In fact, Tan Sri Dato' Chan Choong Tack @ Chan Choong Tak and Mr Lim Kah Poon, having been with the Company for more than nine (9) years, are familiar with the Group's business operations and have always actively participated in Board and Board Committee discussions and have continuously provided an independent view to the Board; and
- (c) They have exercised due care during their tenures as Independent Directors of the Company and have discharged their duties with reasonable skill and competence, bringing independent judgement into the decision making of the Board and in the best interest of the Company and its shareholders.