

MFCB

MEGA FIRST CORPORATION BERHAD

(Company No.: 6682-V)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of Mega First Corporation Berhad (“MFCB” or “Company”) will be held at Dewan Berjaya, Bukit Kiara Equestrian and Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 4 February 2016 at 10.00 a.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW ORDINARY SHARES OF RM1.00 EACH IN THE COMPANY (“MFCB SHARES”) (“RIGHTS SHARES”) TOGETHER WITH FREE DETACHABLE WARRANTS (“WARRANTS”) TO RAISE GROSS PROCEEDS OF UP TO RM250.0 MILLION (“PROPOSED RIGHTS ISSUE WITH WARRANTS”)

“**THAT** subject to the passing of Ordinary Resolution 2 and the requisite consents/approvals of the relevant authorities/parties being obtained, authority be and is hereby given to the Board of Directors of the Company (“Board”) to offer, allot (provisionally or otherwise) and issue by way of a renounceable rights issue such number of Rights Shares with Warrants pursuant to the Proposed Rights Issue with Warrants, to raise gross proceeds of up to RM250.0 million (or its equivalent in United States Dollar (“USD”), based on the middle rate quoted by Bank Negara Malaysia (“BNM”) as at 5.00 p.m. on the market day immediately preceding the price-fixing date), to the registered shareholders of the Company, whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined by the Board and announced later, upon the indicative terms and conditions set out in the circular to shareholders of MFCB dated 20 January 2016 (“Circular”), or their renounee(s), to be credited as fully paid-up upon payment, on an entitlement basis and at an issue price (to be denominated in both Ringgit Malaysia (“RM”) and USD) to be determined and announced by the Board;

THAT subject to the requisite consents/approvals of the relevant authorities/parties being obtained, authority be and is hereby given to the Board to undertake the subscription of the Proposed Rights Issue with Warrants in either RM or USD, whereby the entitled shareholders and/or their renounee(s) can opt to subscribe for the Rights Shares either solely in RM or solely in USD, and combination of these currencies will not be allowed, subject to the condition as imposed by BNM that only resident entitled shareholders with existing USD funds are allowed to subscribe for the Rights Shares in USD and any conversion of RM to USD for the purposes of subscribing for the Rights Shares is not allowed;

THAT the Board be and is hereby authorised to execute, sign and enter into the deed poll constituting the Warrants (“Deed Poll”), with full powers to assent to any conditions, variations, modifications and/or amendments from time to time, in accordance with and subject to the terms of the Deed Poll (including but not limited to the exercise price and the number of Warrants) and in any manner as may be required by the relevant authorities or deemed necessary by the Board, and with full powers to implement and give effect to the terms and conditions of the Deed Poll and in the best interest of the Company;

THAT the Board be and is hereby authorised to issue and allot such additional Warrants and adjust from time to time the exercise price of the Warrants as may be required or permitted to be issued/adjusted as a consequence of the adjustments under the provisions of the Deed Poll;

THAT the Board be and is hereby authorised to issue and allot such appropriate number of new MFCB Shares to be credited as fully paid-up pursuant to the exercise of the Warrants and/or additional Warrants from time to time by the Warrant holders (“Exercised Shares”) in accordance with the provisions of the Deed Poll;

THAT any Rights Shares with Warrants which are not taken up or validly taken up shall be made available for excess applications to the entitled shareholders and/or their renounee(s) who have applied for the excess Rights Shares on a fair and equitable manner on such basis as may be determined by the Board;

THAT the Board be and is hereby empowered and authorised to disregard and deal with any fractional entitlements and fractions of the Rights Shares and Warrants that may arise from the Proposed Rights Issue with Warrants in such manner as the Directors shall at their absolute discretion deem fit or expedient, and in the best interest of the Company;

THAT the Rights Shares and the Exercised Shares shall, upon issuance and allotment, rank equally in all respects with the then existing MFCB Shares, save and except that the Rights Shares and the Exercised Shares shall not be entitled to any dividend, right, allotments and/or other distributions, in respect of which the entitlement date is before the allotment date of the Rights Shares and the Exercised Shares;

THAT approval be and is hereby given for the Company to utilise the proceeds of the Proposed Rights Issue with Warrants in the manner as set out in **Section 2.1.7** of the Circular, and the Board be and is hereby authorised with full powers to vary the manner, timing and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary, expedient, appropriate or in the best interest of the Company, subject where required, to the approval of the relevant authorities;

AND THAT the Board be and is hereby authorised to execute or enter into agreements, deeds or arrangements as the Board may deem necessary or expedient, including but not limited to an underwriting agreement for the remaining portion of the Rights Shares for which no undertaking has been obtained in relation to the Proposed Rights Issue with Warrants, and to take all such necessary steps to give effect to the Proposed Rights Issue with Warrants with full power to assent and adopt such condition, variation, modification and/or amendment in any manner as may be required, imposed or permitted by the relevant authorities in respect of the Proposed Rights Issue with Warrants and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue with Warrants in the best interest of the Company.”

ORDINARY RESOLUTION 2

PROPOSED EXEMPTIONS TO GOH NAN KIOH (“GNK”) AND PERSONS ACTING IN CONCERT WITH HIM (“PACS”) FROM THE OBLIGATION TO UNDERTAKE A MANDATORY TAKE-OVER OFFER FOR ALL MFCB SHARES AND WARRANTS NOT HELD BY GNK AND HIS PACS UNDER PARAGRAPHS 16.1(B) AND 16.1(C) OF THE PRACTICE NOTE 9 OF THE MALYSIAN CODE OF TAKE-OVERS AND MERGERS, 2010 (“CODE”) (“PROPOSED EXEMPTIONS”)

“**THAT** subject to the passing of Ordinary Resolution 1 and the requisite consent/approvals of the Securities Commission Malaysia (“SC”) and all relevant authorities/parties (where required) being obtained, exemptions are hereby given to GNK and his PACs, namely Rubber Thread Industries (M) Sdn Berhad, Keen Capital Investments Limited (“Keen Capital”), PRT Capital Pte Ltd, Lanai Etika Sdn Bhd, Goh Nan Yang (“GNY”) and Chu Beng Han from the obligation to undertake a mandatory take-over offer under the Code for the remaining MFCB Shares and Warrants, not already held by them in conjunction with the application to the SC by GNK and his PACs under Paragraphs 16.1(b) and 16.1(c) of the Practice Note 9 of the Code which cover the following:

- (i) exercise of the existing options held by GNK and GNY, granted pursuant to the employees share option scheme of the Company which are exercisable at any time from 21 May 2014 to 31 July 2020;
- (ii) additional undertaking by Keen Capital, being the nominee of GNK and a company wholly-owned by GNK, to apply for excess Rights Shares with Warrants to subscribe, in aggregate with the full entitlements of GNK and his PACs, for 50% of the total Rights Shares pursuant to the Proposed Rights Issue with Warrants; and
- (iii) full exercise of the Warrants by GNK and his PACs over a six (6)-month period during the entire tenure of the Warrants;

AND THAT the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Exemptions with full power to assent and adopt such condition, variation, modification and/or amendment in any manner as may be required or imposed or permitted by the relevant authorities in respect of the Proposed Exemptions and to deal with all matters relating thereto and to take all such steps and do all act and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Exemptions in the best interest of the Company.”

BY ORDER OF THE BOARD

Yong Lai Sim
(MAICSA: 0862552)
Ghee Yoke Ping
(MAICSA: 7014691)
Company Secretaries

Petaling Jaya
20 January 2016

Notes:

- (i) Depositors whose names appear in the Record of Depositors as at 28 January 2016 shall be regarded as members of the Company entitled to attend the EGM or to appoint proxies to attend on their behalf.
- (ii) A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and to vote in his stead. A proxy need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 are not applicable to the Company.
- (iii) In the case of a corporate member, the instrument appointing a proxy or proxies shall be (a) under its Common Seal or (b) under the hand of its attorney and in the case of (b), be supported by a certified true copy of the resolution appointing such officer or certified true copy of the power of attorney.
- (iv) A member shall, subject to Paragraph (v) below, be entitled to appoint no more than two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies to attend and vote at the same meeting, such appointment shall not be valid unless the member specifies the proportion of his shareholding to be represented by each proxy.
- (v) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 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.
- (vi) The original instrument appointing a proxy must be deposited at the registered office of the Company situated at A-12-01, Level 12, Block A, PJ8, 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time stipulated for holding the meeting.