



ZELAN BERHAD
27676-V

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fortieth (40th) Annual General Meeting ("AGM") of Zelan Berhad will be held at Mahkota II, BR Level, Hotel Istana, 73, Jalan Raja Chulan, 50250 Kuala Lumpur on Tuesday, 17 May 2016 at 2.00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY BUSINESS

1. "THAT the Audited Financial Statements of the Company for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon be and are hereby received". **Please refer to Note A**
2. "THAT Encik Adnan bin Mohammad, who retires in accordance with Article 78 of the Company's Articles of Association, be and is hereby re-elected a Director of the Company". **Resolution 1**
3. "THAT Encik Suhaimi bin Halim, who retires in accordance with Article 78 of the Company's Articles of Association, be and is hereby re-elected a Director of the Company". **Resolution 2**
4. "THAT Encik Mohd Shukor bin Abdul Mumin, who retires in accordance with Article 85 of the Company's Articles of Association, be and is hereby re-elected a Director of the Company". **Resolution 3**
5. "THAT YBhg. Dato' Abdullah bin Mohd Yusof, a Director whose office shall become vacant at the conclusion of this AGM pursuant to Section 129(2) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company pursuant to Section 129(6), to hold office until the conclusion of the next AGM". **Resolution 4**
6. "THAT the Director's fees for the financial year ended 31 December 2015 amounting to RM405,822.00, be and is hereby approved". **Resolution 5**
7. "THAT Messrs. PricewaterhouseCoopers, who are eligible and have given their consent for re-appointment as Auditors of the Company, be and are hereby re-appointed Auditors until the conclusion of the next AGM, AND THAT the remuneration to be paid to them be fixed by the Board". **Resolution 6**

SPECIAL BUSINESS

8. AUTHORITY TO ALLOT SHARES

Resolution 7

"THAT pursuant to Section 132D of the Companies Act, 1965, the Board of Directors be and is hereby empowered to issue and allot shares of the Company at any time until the conclusion of the next AGM of the Company upon such terms and conditions and for such purposes as the Board may, in its absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10.0%) of the issued and paid-up share capital of the Company at the time of issue AND THAT the Board, is also empowered to obtain the approval of Bursa Malaysia Securities Berhad and any other relevant approvals as may be necessary for the listing of and quotation for the additional shares so issued".

9. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE WITH MMC CORPORATION BERHAD AND ITS SUBSIDIARIES, TRADEWINDS CORPORATION BERHAD AND ITS SUBSIDIARIES AND DRB-HICOM BERHAD AND ITS SUBSIDIARIES ("PROPOSED SHAREHOLDERS' MANDATE")

Resolution 8

"THAT approval be and is hereby given for the Company and/or its subsidiaries ("Group") to enter into recurrent transactions of revenue or trading nature with MMC Corporation Berhad and its subsidiaries, Tradewinds Corporation Berhad and its subsidiaries and DRB-HICOM Berhad and its subsidiaries, as set out in Section 2 of the Circular to Shareholders dated 25 April 2016 which are subject to the renewal and obtaining the shareholders' mandate, provided that such transactions are necessary for the day-to-day operations and are carried out in the ordinary course of business and at arms' length basis on normal commercial terms, which are consistent with the Group's normal business practices and policies, and on terms not more favourable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders,

AND THAT such approval shall be in force until:

- (i) the conclusion of the next AGM of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at such AGM;
- (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier AND THAT the Directors and/or any of them be and are hereby authorised to do all such acts and things (including, without limitation, to execute all such documents) in the interest of the Company to give full effect to the aforesaid shareholders' mandate and any transaction contemplated under this Ordinary Resolution,

AND THAT in making the appropriate disclosure of the aggregate value of recurrent transactions conducted pursuant to the shareholders' mandate in the Company's annual report, the Company must provide a breakdown of the aggregate value of the recurrent transaction made during the financial year, amongst others, based on the following information:

- (i) the type of the recurrent transactions entered into; and
- (ii) the names of the related parties involved in each type of the recurrent transaction made and their relationship with the Company".

BY ORDER OF THE BOARD

NOOR RANIZ BIN MAT NOR
NUR HALIZA BINTI MAT PIAH
Company Secretaries

25 April 2016
Kuala Lumpur

Notes:

Proxy

1. A member of the Company who is entitled to attend and vote at the 40th AGM is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where the member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be presented by each proxy. A proxy need not be a member of the Company.
2. The instrument appointing the proxy must be deposited with the Registrar's Office, Symphony Share Registrars Sdn Bhd, at Level 6, Symphony House, Pusat Dagangan D1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor not less than forty-eight (48) hours before the time fixed for holding the 40th AGM.
3. The lodging of the Proxy Form will not preclude shareholders from attending and voting in person at the 40th AGM should they subsequently wish to do so.

Note A

This agenda item is meant for discussion only as per the provision of Section 169 (1) of the Companies Act, 1965 which does not require a formal approval of the shareholders and hence, it is not put forward for voting.

Resolution 4

The proposed Ordinary Resolution 4 is to seek shareholders' approval for the re-appointment of Director who are of the age of 70 and above. This resolution must be passed by a majority of not less than three-fourth of such Members of the Company as being present and entitled to vote in person or where proxies are allowed, by proxy at the AGM of the Company, if passed, it will enable the Director to hold office until the next AGM of the Company.

The Malaysian Code on Corporate Governance 2012 ("Code") recommends that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, an independent director may continue to serve on the board subject to the director's re-designation as a non-independent director. However, the Code further provides that the shareholders may, in exceptional cases and subject to the assessment of the Nomination and Remuneration Committee ("NRC"), decide that an independent director can remain as an independent director after serving a cumulative term of nine (9) years. In such a situation, the board must make a recommendation and provide strong justification to the shareholders in a general meeting.

In relation thereto, the Board, through the NRC, has assessed the independence of YBhg. Dato' Abdullah bin Mohd Yusof, who has served as an Independent, Non-Executive Director of the Company for a cumulative term of more than nine (9) years.

The Board recommends that YBhg. Dato' Abdullah bin Mohd Yusof continues to act as an Independent, Non-Executive Director of the Company based on the following justification:-

- (a) YBhg. Dato' Abdullah bin Mohd Yusof fulfils the criteria of an Independent Director as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- (b) YBhg. Dato' Abdullah bin Mohd Yusof, being an experienced and senior legal practitioner since 1968, is able to provide the Board with sound legal advice and guidance on the Company's key legal issues and risks, in view of the Company's exposure to construction disputes and litigation;
- (c) YBhg. Dato' Abdullah bin Mohd Yusof has also been actively and continuously advising the Board on corporate governance, regulatory compliance and contractual matters to ensure the Company's due compliance with the relevant legislations, regulations as well as contractual provisions;
- (d) YBhg. Dato' Abdullah bin Mohd Yusof has been a dedicated and committed Board member, having attended almost all the Committee and Board meetings since his appointment to the Board;
(Note: statistic shows that for the past ten (10) years, he has attended approximately 99% of the meetings).
- (e) YBhg. Dato' Abdullah bin Mohd Yusof, being the longest serving Board member of the Company, possesses sound knowledge and understanding of the Company's business activities and history which enable him to participate actively and contribute during deliberations at the Committee and Board meetings; and
- (f) YBhg. Dato' Abdullah bin Mohd Yusof's performance as an independent director since his appointment to the Board demonstrates that he exercises due care as an Independent Non-Executive Director of the Company and carries out his professional and fiduciary duties in the interest of the Company and shareholders.

Resolution 7

The proposed Resolution 7, if passed, will give a renewed mandate to the Directors of the Company, from the date of the forthcoming AGM, to allot and issue ordinary shares in the Company up to and not exceeding in total ten per cent (10.0%) of the issued and paid-up capital of the Company pursuant to Section 132D of the Companies Act, 1965. This authority, unless revoked or verified at a general meeting will expire at the next AGM of the Company.

As at the date of the Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 14 May 2015 which will lapse at the conclusion of the forthcoming AGM.

The Board continues to consider opportunities to expand the Company's business. In the event of a new allotment of shares pursuant to such opportunity, the proceeds will be utilised as working capital of the Company. The passing of this resolution would avoid any delay and cost involved in convening a general meeting to specifically approve the issuance of the shares.

Resolution 8

For further information, please refer to Circular to Shareholders dated 25 April 2016.