

FEDERAL FURNITURE HOLDINGS (M) BERHAD

(Company No. 97092-W)

(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Third 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 May 2016 at 3.30 pm for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and the Auditors thereon. Please refer to Explanatory Note (1)
2. To declare a Final Dividend of 1 sen per share in respect of the financial year ended 31 December 2015. (Resolution 1)
3. To approve Directors' fees for the financial year ended 31 December 2015. (Resolution 2)
4. To consider and if thought fit, to pass the following ordinary resolutions in accordance with Section 129 of the Companies Act, 1965:-

(a) Ordinary Resolution 1

- Re-appointment of Dato' Dr. Choy Fook On

"**THAT** pursuant to Section 129 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 3)

(b) Ordinary Resolution 2

- Re-appointment of Datin Tan Geok Foong

"**THAT** pursuant to Section 129 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 4)

(c) Ordinary Resolution 3

- Re-appointment of Tuan Haji Hussein Bin Hamzah

"**THAT** pursuant to Section 129 of the Companies Act, 1965, Tuan Haji Hussein Bin Hamzah, 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 5)

5. To re-elect Dato' Choy Wai Hin who retires by rotation pursuant to Article 98 of the Company's Articles of Association. (Resolution 6)
6. To re-elect Dato' Dr. Hj. Abdul Rasid bin Ab. Malik, a Director who retires pursuant to Article 103 of the Company's Articles of Association. (Resolution 7)
7. 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 8)

As Special Business:-

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

8. Ordinary Resolution 4

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

"**THAT** subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors of the Company be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue and allot shares in the Company, from time to time, and upon such terms and conditions and for such purposes as the Directors of the Company may deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the issued share capital of the Company for the time being **AND THAT** the Directors of the Company be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad **AND FURTHER THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

(Resolution 9)

9. **Ordinary Resolution 5**
- Continuing In Office As Independent Non-Executive Director

"**THAT** authority be and is hereby given to Tuan Haji Hussein Bin Hamzah who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company."

(Resolution 10)

10. **Ordinary Resolution 6**
- Proposed Renewal of Authority for Share Buy Back of up to 10% Of the Issued And Paid-Up Share Capital of the Company

"**THAT** subject to the Companies Act, 1965 (the "Act"), rules, regulations and orders made pursuant to the Act (as may be amended, modified or re-enacted from time to time), the provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities")("Listing Requirements") and any other relevant authorities, the Company be and is hereby authorised, to the extent permitted by law, to purchase and/or hold, from time to time, and at any time, such amount of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company, from time to time, through Bursa Securities subject further to the following:-

1. the number of ordinary shares of RM0.50 each in the Company which may be purchased or held by the Company shall not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being quoted on Bursa Securities;
2. 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 account of the Company based on the latest audited financial statements and/ or the latest management accounts of the Company (where applicable) available at the time of the purchase(s); and
3. 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.

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 share 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.

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 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, and all other relevant governmental and/or regulatory authorities, in the best interest of the Company."

(Resolution 11)

11. **SPECIAL RESOLUTION**
- PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

THAT the proposed amendments, modifications, additions or deletions to the Articles of Association of the Company as set out below ("Proposed Amendment") be and are hereby approved and adopted **AND THAT** the Directors and Secretaries be and are hereby authorised to execute all relevant documents and to do all acts and things as deemed necessary to give full effect to the Proposed Amendments:-

Article No.		Proposed Amendment
142A	New Provision	<p><u>ANNUAL REPORT</u></p> <p>Subject to compliance with the requirements of Bursa Malaysia Securities Berhad and any other relevant laws and regulations, if any, the Company may issue its annual report in CD-ROM or in such other electronic format and if a member requires a printed form of the annual report, the Company shall send such document to the member within four (4) Market Days from the date of receipt of the member's verbal or written request.</p>

(Resolution 12)

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

NOTICE IS HEREBY GIVEN that a Final Dividend of 1 sen per share in respect of the financial year ended 31 December 2015, if so approved by the shareholders at the Thirty-Third Annual General Meeting, will be paid on 17 June 2016 to shareholders who are registered in the Record of Depositors as at the close of business on 3 June 2016.

Further notice is given that a depositor shall qualify for entitlement only in respect of:

- (1) Shares transferred into the depositor's securities account before 4.00 p.m. on 3 June 2016 in respect of ordinary transfers; and
- (2) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

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

Selangor Darul Ehsan
29 April 2016

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 Thirty-Second Annual General Meeting held on 26 June 2015 and which will lapse at the conclusion of the Thirty-Third Annual General Meeting.

3. Continuing in office as an Independent Non-Executive Director

The Nomination Committee of the Company and the Board of Directors of the Company had assessed the independence of Tuan Haji Hussein Bin Hamzah, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and with his consent, had recommended for him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:-

- (a) he fulfilled the criteria of the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and had expressed his willingness to continue in office as an Independent Non-Executive Directors of the Company;
- (b) his vast experience would enable him to provide the Board with a diverse set of experience, expertise and independent judgement to better manage and run the Group;
- (c) he has served the Company as an Independent Director for a cumulative term of more than nine (9) years during which he had acted in good faith and in the best interests of the Company, exercising his independent judgement during deliberations and decision making during the Company's meetings and was familiar with the Company's business operations; and
- (d) Tuan Haji Hussein Bin Hamzah has proven to be a reliable Independent Director with his professionalism aptitude and outlook of business perspective, devoted sufficient time and attention to his professional obligations for informed and balance decision making and had also exercised due care during his tenure in the best interests of the Company and the shareholders.

4. Proposed Renewal of Authority for Share Buy-Back 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, is to renew the authority granted by the shareholders of the Company at the Thirty-Second Annual General Meeting held on 26 June 2015. The proposed renewal of the general mandate will empower the Directors of the Company to purchase the Company's shares up to ten per centum (10%) of the issued and paid up capital of the Company by utilising the retained profit and/or the share premium account of the Company. This authority will, unless revoked or varied by the shareholders of the Company in general meeting will expire at the conclusion of the next Annual General Meeting.

5. Proposed Amendment to the Articles of Association of the Company

The proposed adoption of Special Resolution is primarily to align the Company's Articles of Association with the recent amendments made to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, as well as to enhance administrative efficiency.

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 May 2016 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.
2. A member entitled to attend and vote at this Meeting is entitled to appoint any person as his proxy to attend and vote instead of him. A proxy appointed to attend and vote at this Meeting shall have the same rights as the member to speak at the Meeting.
3. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 need not be complied with. There shall be no restriction as to the qualifications of the proxy.
4. 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.
5. 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 with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
7. If a corporation is a member of the Company, it may vote by any person authorised by resolution of its directors or other governing body to act as its representative at any meeting in accordance with Article 67 of the Company's Articles of Association.
8. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if such appointor be a corporation, under its common seal or under the hand of an officer or attorney of the corporation duly authorised, and shall be deposited at the registered office or at such other place as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default, the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution.