

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Third (23rd) 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 Tuesday, 30 May 2017 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 2016 together with the Reports of the Directors and Auditors thereon.

[Please refer to Explanatory Note 6(i)]
Ordinary Resolution 1
2. To approve a single-tier final dividend of 2.5 sen per ordinary share in respect of the financial year ended 31 December 2016.

Ordinary Resolution 2
3. To approve the payment of Directors' fees amounting to RM668,000.00 per annum for the Non-Executive Directors in respect of the financial year ended 31 December 2016.

Ordinary Resolution 3
4. To approve the payment of Directors' fees (inclusive of increment) amounting to RM787,200.00 per annum for the Non-Executive Directors in respect of the financial year ending 31 December 2017.

Ordinary Resolution 4
5. To re-elect Mr Yoong Hau Chun, 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 5
6. 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 6
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. **Re-appointment of Director**
To re-appoint Tan Sri Dato' Chan Choong Tack @ Chan Choong Tak who is retiring under the resolution passed at the last Annual General Meeting of the Company held on 30 May 2016 pursuant to Section 129(6) of the Companies Act, 1965 (which was then in force), to hold office from the date of this Annual General Meeting.

Ordinary Resolution 7
9. **Authority to Issue Shares**
"THAT subject always to the Companies Act, 2016 (the "Act"), 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 75 of the Companies Act, 2016 to issue and allot not more than ten per centum (10%) of the total number of issued shares 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."

Ordinary Resolution 8
10. **Proposed Renewal of Authority for Purchase of Own Shares by the Company ("Proposed Renewal of Authority")**
"THAT subject to the Companies Act, 2016, 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 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 number of issued shares 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."

Ordinary Resolution 9
11. **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 5 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."
"THAT subject to the passing of Resolution 7 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

Ordinary Resolution 11

Any Other Business

12. 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-Third (23rd) AGM, a single-tier final dividend of 2.5 sen per ordinary share for the financial year ended 31 December 2016 will be payable on 29 June 2017 to holders of ordinary shares registered in the Record of Depositors at the close of business on 15 June 2017.

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 15 June 2017 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 April 2017

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-Third (23rd) 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 23 May 2017. 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**

- Item 1 of the Agenda
(i) This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act, 2016 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 1 - Final dividend
With reference to Section 131 of the Companies Act, 2016 (the "Act"), a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent. The Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution is made on 29 June 2017 in accordance with the requirements under Section 132(2) and (3) of the Act.
- (iii) Ordinary Resolution 3 – Directors' fees for the financial year ending 31 December 2017
The proposed Resolution 3 is to facilitate the payment of Directors' fees for the financial year ending 31 December 2017. The Board approved the recommendation of the Remuneration Committee that the Directors' fees for the financial year ending 31 December 2017 be increased by RM119,200.00, having regards to the various factors including the contribution and guidance of the Non-Executive Directors in overseeing the Group as well as the Directors' remuneration framework of other comparable public listed companies, to ensure that the Directors' fees are competitive and at par with the prevalent market rate.
- (iv) Ordinary Resolutions 4 and 5 – Re-election of Directors pursuant to Article 123 of the Articles and Association
The details of Mr Yoong Hau Chun and Mr Lim Kah Poon who stand for re-election and their interest in the securities of the Company are set out on pages 6, 7 and 119 to 124 of the Annual Report.
- (v) Ordinary Resolution 7 – Re-appointment of Director
The proposed Ordinary Resolution 7 is to seek shareholders' approval on the re-appointment of Tan Sri Dato' Chan Choong Tack @ Chan Choong Tak who is

over the age of seventy (70) years and had been re-appointed at the last AGM held on 30 May 2016 as Director pursuant to Section 129(6) of the former Companies Act, 1965 which was then in force, and whose term would expire at the conclusion of this AGM as Director of the Company. This resolution, if passed will authorise the continuation of the Director in office from the date of this AGM onwards and shall subject to retirement by rotation at a later date. His details and interest in the securities of the Company are set out on pages 6 and 119 to 124 of the Annual Report.

- (vi) Ordinary Resolution 8 - Authority to Issue Shares

The proposed Ordinary Resolution 8, 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 total number of issued shares 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 30 May 2016 ("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.

As at the date of Notice of Meeting, no shares have been issued pursuant to the general mandate granted at the last AGM of the Company.

- (vii) Ordinary Resolution 9 - Proposed Renewal of Authority for Purchase of Own Shares by the Company

The proposed Ordinary Resolution 9, if passed, will empower the Company to purchase and/or hold up to ten per centum (10%) of the total number of issued shares 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 28 April 2017 for further information.

- (viii) Ordinary Resolutions 10 and 11 - 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 Group and the Company. 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.

7. **STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING**
Details of individual who is standing for election as Director

No individual is seeking for election as Director at the Twenty-Third (23rd) AGM of the Company.