



PROGRESSIVE IMPACT CORPORATION BERHAD (203352-V)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 25th Annual General Meeting of the Company will be held at Velocity Room, Ground Floor, MERCU PICORP, Lot 10, Jalan Astaka U8/84, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan on Monday, 22 May 2017, at 9:30 a.m. to transact the following business:-

ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Directors' and Auditors' Reports thereon. (Please refer to Note 1 of the Explanatory Notes)
- To approve the payment of the Single Tier Final Dividend of 0.61 sen per share for the year ended 31 December 2016. **Resolution 1**
- To re-elect Datuk Abdul Hamid Bin Sawal, who shall retire pursuant to Article 83 of the Constitution of the Company, as Director. **Resolution 2**
- To re-elect Zaid Bin Abdullah, who shall retire pursuant to Article 83 of the Constitution of the Company, as Director. **Resolution 3**
- To re-elect Lee Weng Chong, who shall retire pursuant to Article 90 of the Constitution of the Company, as Director. **Resolution 4**
- To approve the Directors' fees of RM169,933 for the financial year ended 31 December 2016. (2015: RM185,484) **Resolution 5**
- To approve the Directors' benefits of RM240,000.00 for the period from 1 January 2017 up to the date of the next Annual General Meeting. **Resolution 6**
- To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

SPECIAL BUSINESS

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

- ORDINARY RESOLUTION PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **Resolution 8**

"THAT pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiaries ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.2 of the Circular to Shareholders dated 28 April 2017 ("Related Parties") provided that such transactions and/or arrangements are:

 - necessary for the day-to-day operations;
 - undertaken in the ordinary course of business at arm's length basis and are on normal commercial terms and transaction price which are not more favourable to the Related Parties than those generally available to the public; and
 - not detrimental to the minority shareholders of the Company,

(collectively known as "Shareholders' Mandate");

AND THAT such approval, shall continue to be in force until:

 - the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at such AGM, the authority is renewed; or
 - the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340 (2) of the Companies Act 2016 ("the Act") but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act; or
 - revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting, whichever is earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

- ORDINARY RESOLUTION PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO PURCHASE ITS OWN ORDINARY SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES IN THE COMPANY** **Resolution 9**

THAT, subject always to the compliance with all applicable laws, guidelines, rules and regulations and the approval of all relevant authorities, the Company be and is hereby authorised to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad ("Bursa Securities") upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

 - the aggregate number of shares to be purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company as at the point of purchase;
 - the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase; and
 - the shares of the Company so purchased may be cancelled, retained as treasury shares, distributed as dividends or resold on Bursa Securities, or a combination of any of the above, or be dealt with in such manner allowed by the Companies Act 2016 and Main Market Listing Requirements ("MMLR") of Bursa Securities from time to time.

THAT the authority conferred by this resolution will commence immediately upon the passing of this resolution and will continue to be in force until:

 - the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it shall lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting, whichever occurs first but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the MMLR of Bursa Securities or any other relevant authorities.

THAT the Directors of the Company be and are hereby authorised to do all such acts and things and to take all such steps as they deem fit, necessary, expedient and/or appropriate in order to complete and give full effect to the purchase by the Company of its own shares with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities."

- ORDINARY RESOLUTION AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **Resolution 10**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approval of the relevant governmental/regulatory authorities (if any), the Directors of the Company be and are hereby authorised to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions and for such purposes and to such persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued during the preceding 12 months does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued from Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier unless revoked or varied by an ordinary resolution of the Company at a general meeting."

- ORDINARY RESOLUTION CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR** **Resolution 11**

"THAT authority be and is hereby given to Lee Weng Chong, who has served the Company as an Independent Non-Executive Director for more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company."

- To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

NOTICE OF DIVIDEND PAYMENT

Notice is hereby given that a Single Tier Final Dividend of 0.61 sen per share for the financial year ended 31 December 2016, if approved, will be paid on 30 June 2017. The entitlement date for the dividend payment is 31 May 2017.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

- Shares transferred into the depositor's Securities Account on or before 4.00 p.m. on 31 May 2017 in respect of ordinary transfers; and
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad.

By order of the Board

ZAIDAH BINTI MOHD SALLEH (MIA 3313)

Company Secretary

Shah Alam

28 April 2017

Notes:

- A member entitled to attend and vote is entitled to appoint up to 2 proxies to attend, speak and vote instead of him. A proxy may but need not be a member of the Company.
- A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, can appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- 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.
- Where a member or authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- 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 the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or notarially certified copy of that power of attorney shall be deposited at the Company's registered office at Suite 5.02, MERCU PICORP Lot 10, Jalan Astaka U8/84, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.
- For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 15 May 2017. Only a Member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, vote and speak on his behalf.

Explanatory Notes on Ordinary Business

- Agenda item no. 1 is meant for discussion only as the provision of Sections 248(2) and 340(1)(a) of the Companies Act 2016 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.
- Datuk Abdul Hamid Bin Sawal, Zaid Bin Abdullah and Mr Lee Weng Chong are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 25th Annual General Meeting. The Board has through the Nominating Committee, considered the assessment of the Directors and collectively agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") on the character, experience, integrity, competence and time to effectively discharge their roles as Directors. The Board has also through the Nominating Committee, conducted an assessment on Datuk Abdul Hamid Bin Sawal and Mr Lee Weng Chong's independence and is satisfied that they have complied with the criteria prescribed by the MMLR and Malaysian Code on Corporate Governance 2012.
- The Directors' benefits (being meeting allowances) are calculated based on the current Board size and number of scheduled Board and Committee meetings for 2017 up to the next Annual General Meeting. In the event the proposed amounts are insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for the shortfall.
- The Board has through the Audit Committee, considered the re-appointment of Messrs Ernst & Young as Auditors of the Company. The factors considered by the Audit Committee in making the recommendation to the Board to table their re-appointment at the 25th Annual General Meeting is stated in the Statement on Corporate Governance.

Explanatory Notes on Special Business

Resolution 8
 This proposed Resolution, if passed, will enable the Company and/or its subsidiaries to renew its mandate to enter into recurrent transactions involving the interest of Related Parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

For further information on the recurrent related party transactions, please refer to the Circular to Shareholders dated 28 April 2017 enclosed together with the Company's Annual Report 2016.

Resolution 9
 The proposed Resolution is intended to allow the Company to purchase its own shares up to 10% of the total number of issued shares of the Company at any time within the time period stipulated in the MMLR of Bursa Securities.

Please refer to the Circular to Shareholders dated 28 April 2017 for further information.

Resolution 10
 This proposed Resolution, if passed, will empower the Directors to allot up to a maximum of 10% of the total number of issued shares (excluding treasury shares) in the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting is required to be held, whichever is earlier.

This proposed Resolution is a renewal of the previous year's mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time. The purpose of this general mandate is for possible fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration or such other application as the Directors may deem fit in the best interests of the Company.

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 last Annual General Meeting held on 23 May 2016 and the mandate will lapse at the conclusion of the 25th Annual General Meeting.

Resolution 11
 The Board has assessed the independence of Mr. Lee Weng Chong, who has served as an Independent Non-Executive Director of the Company for a term of more than nine (9) years during his previous tenure as Director, and recommended that he continues to act as an Independent Non-Executive Director of the Company based on the following justifications:-

- He fulfills the criteria defined under Paragraph 1.01 of the MMLR.
- The Board holds the view that a director's independence cannot be determined arbitrarily with reference to a set period of time. Mr Lee's length of service as Independent Non-Executive Director does not in any way interfere with his exercise of objective judgment or his ability to act in the best interests of the Company.
- He has a strong understanding of the Group's corporate history and business and has devoted sufficient time and commitment to discharge his responsibilities as an Independent Non-Executive Director.
- He has exercised due care during his tenure as Independent Non-Executive Director of the Company and participated actively in meetings, giving his independent views in a constructive manner and bringing an element of objectivity to the Board's decision making.
- He does not have any business dealings with the Group.