

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Second Annual General Meeting ("22nd AGM") of Timberwell Berhad ("Company") will be held at Crown 2, 2nd Floor, Sabah Oriental Hotel, Jalan Kemajuan, Karamunsing, 88000 Kota Kinabalu, Sabah on Wednesday, 23rd day of May 2018 at 1:00 p.m., for the following purposes:

**AGENDA**

**AS ORDINARY BUSINESS**

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon. **Please refer to Explanatory Note (a)**
2. To approve the payment of Directors' fees amounting to RM255,000 for the financial year ended 31 December 2017. **RESOLUTION 1**
3. To approve the payment of Directors' remuneration (excluding Directors' Fees) payable to the Board of the Company and its subsidiaries amounting to RM150,000 for the period from 24 May 2018 until the next Annual General Meeting. **RESOLUTION 2**
4. To re-elect the following directors who retire in accordance with Article 94 of the Constitution of the Company and being eligible offer themselves for re-election:-
  - a. Dato' Seri Abdul Azim Bin Mohd Zabidi **RESOLUTION 3**
  - b. Mr Melton Martin **RESOLUTION 4**
5. To re-elect Mr Loo Choo Hong who is retiring pursuant to Article 101 (1) of the Constitution of the Company, who being eligible offers himself for re-election. **RESOLUTION 5**
6. To approve the payment of a final single-tier dividend of 1 sen per ordinary share for the financial year ended 31 December 2017. **RESOLUTION 6**
7. To re-appoint Messrs. Crowe Horwath (AF 1018) as Auditors of the Company for the financial year ending 31 December 2018 and to authorise the Directors to fix their remuneration. **RESOLUTION 7**

**AS SPECIAL BUSINESS**

To consider and, if thought fit, to pass the following ordinary/special resolutions, with or without modification:-

8. **Ordinary Resolution**  
**- Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016** **RESOLUTION 8**  
"THAT subject to Section 75 of the Companies Act 2016 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company in accordance with Section 76 of the Companies Act 2016."
9. **Ordinary Resolution**  
**- Retention of Independent Director in accordance with the Malaysian Code on Corporate Governance 2017**  
(a) "THAT authority be and is hereby given to Datuk Yap Pak Leong, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Independent Non-Executive Director of the Company." **RESOLUTION 9**  
(b) "THAT subject to the passing of Resolution 3, authority be and is hereby given to Dato' Seri Abdul Azim Bin Mohd Zabidi, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Independent Non-Executive Director of the Company." **RESOLUTION 10**
10. **Special Resolution**  
**- Proposed Adoption of New Company's Constitution** **RESOLUTION 11**  
"THAT the existing Memorandum and Articles of Association of the Company be hereby deleted in its entirety and a new Constitution, marked as "Appendix A" (a copy of which is attached) be replaced thereof and hereby adopted as the Company's Constitution.  
THAT henceforth, the Constitution shall bind the Company, the members and the Directors to the same extent as if the Constitution had been signed and sealed by each member and contain covenants on the part of each member and Director to observe all the provisions of the Constitution.  
AND THAT the Secretaries be authorised and instructed to do all the necessary and deemed fit to lodge the Constitution as adopted herewith with the Companies Commission of Malaysia on behalf of the Company in accordance with Section 36 of the Companies Act 2016."
11. To transact any other ordinary business of the Company for which due notice shall have been given.

**NOTICE OF DIVIDEND ENTITLEMENT**

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders at Twenty-Second Annual General Meeting, a final single-tier dividend of 1 sen per ordinary share for the financial year ended 31 December 2017, if approved, will be paid on 2 July 2018 to holders of ordinary shares registered in the Record of Depositors of the Company at the close of business on 5 June 2018.

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

- a) Securities transferred into the Depositor's Securities Account before 4:00 p.m. on 5 June 2018 in respect of transfers; and
- b) Securities bought on the Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of the Bursa Securities.

**BY ORDER OF THE BOARD**

**TAN KOK SIONG (LS 0009932)**  
**TEO MEE HUI (MAICSA 7050642)**  
Company Secretaries

Kota Kinabalu  
24th day of April 2018

**NOTES:**

1. Every member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote for him/her but his attendance shall automatically revoke the proxy's authority. A proxy may but need not be a member of the Company, if the proxy is not a member, the proxy need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies.
2. To be valid, this form duly completed must be deposited at the registered office of the Company at Lot 8 & 9, Block A, 2nd Floor, Damai Point Commercial Centre, Off Jalan Damai, Luyang, 88300 Kota Kinabalu, Sabah not less than forty-eight (48) hours before the time appointed for holding the meeting or adjournment thereof.
3. A member shall be entitled to appoint more than one (1) proxy to attend, vote and speak at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
4. 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.
5. The instrument appointing a proxy shall be in writing executed by or on behalf of the appointor or his 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.
6. Date of Record of Depositors for the purpose of determining Members' entitlement to attend, vote and speak at the Annual General Meeting is 16 May 2018.

**EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESSES:**

- (a) **Audited Financial Statements for the financial ended 31 December 2017**  
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 matter will not be put for voting.
- (b) **Directors' fees (Resolution 1)**  
Section 230(1) of the Companies Act 2016 provides that "fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.  
The payment of the Directors' fees for the financial year ended 31 December 2017 will only be made if the proposed Resolution 1 has been passed at the Twenty-Second Annual General Meeting ("22nd AGM") pursuant to Article 103 of the Company's Constitution and Section 230(1) of the Companies Act 2016.
- (c) **Directors' Remuneration and any benefit payable (Resolution 2)**  
The Board is of the view that it is just and equitable for the Directors to be paid the Directors' remuneration (excluding Directors' Fees) on a monthly basis and/or as and when incurred, particularly after having discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the period from 24 May 2018 until the next Annual General Meeting ("AGM"). Payment of the Directors' remuneration will be made by the Company and its subsidiaries at the discretion of the Company, if the proposed Resolution 2 is passed at the 22nd AGM.
- (d) **Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 (Resolution 8)**  
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 issued share capital 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 a new general mandate to seek shareholders' approval to issue of shares.  
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.
- (e) **Continuing in Office as Independent Non-Executive Director (Resolutions 9 and 10)**  
The Nomination and Remuneration Committee has assessed the independence of Datuk Yap Pak Leong and Dato' Seri Abdul Azim Bin Mohd Zabidi, who have served as the Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years, and has recommended them to continue to act as the Independent Non-Executive Directors of the Company based on the following justifications:-
  - i. fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, would be able to function as a check and balance, bring an element of objectivity to the Board;
  - ii. have vast experience in the industry that could be shared with the Board but independent judgement to better manage and run the Company;
  - iii. familiar with the Company's business operations and the timber industry as they have served the Company for more than nine (9) years;
  - iv. have devoted sufficient time and attention to discharge the professional obligations for informed and balanced decision making; and
  - v. have exercised due care during their tenure as an Independent Non-Executive Directors of the Company and carried out their professional duties in the interest of the Company and shareholders.
- (f) **Adoption of New Constitution (Resolution 11)**  
The proposed Special Resolution is to seek shareholders' approval to adopt a new Constitution to align with the provisions of the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Corporate Governance Requirements ("Proposed New Constitution"). Please refer to the Appendix A for detailed information on the Proposed New Constitution.