

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Twenty-Fourth (24th) Annual General Meeting ("AGM") of HeveaBoard Berhad will be held at Royale Chulan Seremban, Ampangan Room, Mezzanine Floor, Jalan Dato' A.S. Dawood, 70100 Seremban, Negeri Sembilan on Wednesday, 30 May 2018 at 10.00 a.m., for the purpose of considering the following businesses:-

**AGENDA****Ordinary Business**

- To receive the Audited Financial Statements for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon.  
[Please refer to Explanatory Note 6(i)]
- To approve a single-tier final dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2017. **Ordinary Resolution 1**
- To approve the payment of Directors' fees amounting to RM916,408.00 per annum for the financial year ending 31 December 2018. **Ordinary Resolution 2**
- To re-elect the following Directors who retire pursuant to Article 123 of the Company's Articles of Association (Constitution), and being eligible, offered themselves for re-election:-
  - Dato' Loo Swee Chew **Ordinary Resolution 3**
  - Mr Bailey Policarpio **Ordinary Resolution 4**
- To re-elect the following Directors who retire pursuant to Article 128 of the Company's Articles of Association (Constitution), and being eligible, offered themselves for re-election:-
  - Mr Yoong Yan Pin **Ordinary Resolution 5**
  - Mr Sundra Moorthi A/L.V.M. Krishnasamy **Ordinary Resolution 6**
  - Mr Thye Heng Ong @ Teh Heng Ong **Ordinary Resolution 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 8**

**Special Business**

To consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications:-

- Renewal of Authority for Directors to Issue Shares** **Ordinary Resolution 9**  
"THAT subject always to the Companies Act 2016 (the "Act"), Articles of Association (Constitution) 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 76 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."
- Proposed Renewal of Authority for Purchase of Own Shares by the Company ("Proposed Renewal of Authority")** **Ordinary Resolution 10**  
"THAT subject to the Companies Act 2016, rules, regulations and orders made pursuant to the Act, provisions of the Company's Articles of Association (Constitution) 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:-
  - 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;
  - 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

- the Directors of the Company may resolve to retain the shares so purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder, where such shares are held as treasury shares, the Directors may resell the treasury shares or transfer the treasury shares or cancel the treasury shares or distribute the treasury shares as dividends to shareholders.

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-

- 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
- the expiration of the period within which the next AGM after that date is required by law to be held; or
- 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."

**9. Retention of Independent Non-Executive Directors based on application of Practice 4.2 of the Malaysian Code on Corporate Governance**

"THAT based on application of Practice 4.2 of the Malaysian Code on Corporate Governance, Mr Lim Kah Poon who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years since 1 October 2004 be and is hereby retained as an Independent Non-Executive Director of the Company." **Ordinary Resolution 11**

"THAT based on application of Practice 4.2 of the Malaysian Code on Corporate Governance, 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 cumulative term of more than twelve (12) years since 1 October 2004 be and is hereby retained as an Independent Non-Executive Director of the Company." **Ordinary Resolution 12**

**Any Other Business**

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

**NOTICE OF DIVIDEND ENTITLEMENT**

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the Twenty-Fourth (24th) AGM, a single-tier final dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2017 will be payable on 5 July 2018 to holders of ordinary shares registered in the Record of Depositors at the close of business on 21 June 2018.

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

- Shares transferred into the Depositor's Securities Account on or before 4.00 p.m. on 21 June 2018 in respect of ordinary transfers; and
- 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  
30 April 2018

**Notes:-**

- 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.
- 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.
- 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.
- 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-Fourth (24th) AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 74 of the Company's Articles of Association (Constitution) and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, to issue a General Meeting Record of Depositors as at 22 May 2018. 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 – Audited Financial Statements for the financial year ended 31 December 2017  
The Audited Financial Statements are laid pursuant to Section 340(1)(a) of the Companies Act 2016 for discussion only, a formal approval of the shareholders for the Audited Financial Statements is not required. Hence, this Agenda item is not put forward for voting.
- 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 5 July 2018 in accordance with the requirements under Section 132(2) and (3) of the Act.
- Ordinary Resolution 2 – Directors' fees  
Section 230(1) of the Companies Act 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved by shareholders at a general meeting. In this respect, the Board seeks the shareholders' approval at this AGM on the payment of Directors' fees.

The proposed Ordinary Resolution 2 is to facilitate the payment of Directors' fees. The Board is of the view that it is just and equitable for the Directors to be paid the

Directors' fees, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the year 2018.

The Board approved the recommendation of the Remuneration Committee that the total Directors' fees for the Non-Executive Directors ("NEDs") (except the NEDs who were newly appointed to the Board on 27 February 2018) for the financial year ending 31 December 2018 be increased by RM28,325.00, having regards to the various factors including the fiduciary duty assumed by them, their contribution and guidance in overseeing the Group over the years 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 3 and 4 – Re-election of Directors pursuant to Article 123 of the Company's Articles of Association (Constitution)

Article 123 of the Company's Articles of Association (Constitution) provides that one-third (1/3) of the Directors for the time being are subject to retirement by rotation at each AGM, and each Director must retire from office at least once in every three (3) years. Article 124 provides that a retiring Director shall be eligible for re-election.

The profiles of Dato' Loo Swee Chew and Mr Bailey Policarpio who stand for re-election and their interest in the securities of the Company are set out on pages 14, 15 and 139 to 146 of the Annual Report.

The Nomination Committee had assessed the above retiring Directors based on a pre-set criteria and had rated their performance as "Good/Competent" in discharging their duties and responsibilities as Directors. Based on the above, the Board recommended the re-election of both of them as Directors.

v. Ordinary Resolutions 5, 6 and 7 – Re-election of Directors pursuant to Article 128 of the Company's Articles of Association (Constitution)

Pursuant to Article 128 of the Company's Articles of Association (Constitution), the newly appointed Director shall hold office until the next following AGM and shall then be eligible for re-election. As such, Mr Yoong Yan Pin, Mr Sundra Moorthi A/L.V.M. Krishnasamy and Mr Thye Heng Ong @ Teh Heng Ong who were appointed to the Board on 27 February 2018 shall retire at this AGM. They offered themselves for election as Directors of the Company.

Their profiles and interest in the securities of the Company are set out on pages 15, 16 and 139 to 146 of the Annual Report.

vi. Ordinary Resolution 9 – Renewal of Authority for Directors to Issue Shares

The proposed Ordinary Resolution 9, 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 2017 ("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 10 - Proposed Renewal of Authority for Purchase of Own Shares by the Company

The proposed Ordinary Resolution 10, if passed, will empower the Company to purchase its own shares and hold its own shares as treasury shares 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 Share Buy-back Statement in relation to the Proposed Renewal of Authority dated 30 April 2018 for further information.

viii. Ordinary Resolutions 11 and 12 - Retention of Independent Non-Executive Directors based on application of Practice 4.2 of the Malaysian Code on Corporate Governance ("MCCG")

The Board of Directors applied Practice 4.2 of the MCCG and seeks the shareholders' approval to continue retain both 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 cumulative term of more than twelve (12) years through a Two-tier Voting Process at this AGM.

The Nomination Committee has assessed the independence of both the above Independent Directors. To justify the retaining of the Independent Directors, a rigorous review was undertaken to determine whether their independence has been impaired. The review focused not only on whether the Director's background and current activities qualify him as independent but also whether the Director can act independently of management.

It was recommended both of them to continue to act as Independent Directors of the Company based on the following justifications:-

- 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;
- Their length of services on the Board of more than twelve (12) 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 who 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 and constructive view to the Board; and
- 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-Fourth (24th) AGM of the Company.