



## **STERLING PROGRESS BERHAD**

(Company No. 679361-D)  
(Incorporated in Malaysia)

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of Sterling Progress Berhad (“**SPB**” or “**Company**”) will be held at the Greens II, Main Wing, Level 1, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 29 November 2018 at 11.00 a.m. or immediately after the conclusion or adjournment (as the case may be) of the 13<sup>th</sup> Annual General Meeting of SPB which will be held at the same venue on the same day at 10.00 a.m., whichever is later, or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:

#### **ORDINARY RESOLUTION 1**

#### **PROPOSED TERMINATION OF THE EXISTING EMPLOYEES’ SHARE OPTION SCHEME (“EXISTING ESOS”) OF SPB (“PROPOSED TERMINATION OF EXISTING ESOS”)**

“THAT, the Board be and is hereby authorised to terminate the Existing ESOS which was implemented on 28 March 2014.

AND THAT the Board be and is hereby authorised to do all such acts as they may consider necessary or expedient to give effect to the Proposed Termination of the Existing ESOS with full power to consent to and to adopt such conditions, modifications, variations, and/or amendments as may be required by the relevant regulatory authorities.”

#### **ORDINARY RESOLUTION 2**

#### **PROPOSED ESTABLISHMENT OF A NEW EMPLOYEES’ SHARE OPTION SCHEME OF UP TO 30% OF THE ENLARGED NUMBER OF ISSUED ORDINARY SHARES IN SPB (“SPB SHARES”) (EXCLUDING TREASURY SHARES, IF ANY) AT ANY ONE TIME OVER THE DURATION OF THE SCHEME FOR THE ELIGIBLE DIRECTORS AND EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES (EXCLUDING SUBSIDIARIES WHICH ARE DORMANT)(“PROPOSED NEW ESOS”)**

“THAT subject to and conditional upon the passing of the Ordinary Resolution 1 above, the approval of all the relevant authorities, including but not limited to, the approval of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing of and quotation for the new ordinary shares of the Company (“**SPB Shares**”) to be issued hereunder, the Board of Directors of SPB (“**Board**”) be and is hereby authorised to:

- (a) establish and administer the Proposed New ESOS which involves the granting of options (“**ESOS Options**”) to all eligible directors and employees of the Company and its subsidiaries (“**SPB Group**” or “**the Group**”) (excluding SPB’s subsidiaries which are dormant) who meet the criteria of eligibility for participation in the Proposed New ESOS (“**Eligible Persons**”) in accordance with the provisions of the By-Laws of the Proposed New ESOS (“**New By-Laws**”) and to give effect to the Proposed New ESOS with full power to assent to any conditions, variations, modifications and/or amendments as may be required by the relevant authorities;
- (b) allot and issue from time to time such number of new SPB Shares to the Eligible Persons as may be required to be issued in connection with the implementation of the Proposed New ESOS arising from the exercise of ESOS Options under the Proposed New ESOS (“**SPB-ESOS Shares**”) provided that the aggregate number of new SPB-ESOS Shares to be allotted and issued shall not exceed 30% of the total number of issued SPB Shares (excluding any treasury shares) at any point of time throughout the existence of the Proposed New ESOS and such SPB-ESOS Shares issued shall, upon allotment and issuance, rank *pari passu* in all respect with the then existing issued SPB Shares except that the SPB-ESOS Shares so issued will not be entitled to

any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the SPB-ESOS Shares pursuant to the Proposed New ESOS;

- (c) do all such acts, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds or undertakings and to make such rules or regulations, or impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Proposed New ESOS and terms of the New By-Laws; and
- (d) modify and/or amend the Proposed New ESOS and/or the New By-Laws from time to time provided that such modifications and/or amendments are effected in accordance with the provisions of the New By-Laws relating to modifications and/or amendments and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed New ESOS;

THAT, any one (1) executive director and/or the secretary of the Company be and is hereby authorised to do all things necessary and to make the necessary applications to Bursa Securities for the listing of and quotation for any SPB-ESOS Shares that may hereafter from time to time be issued and allotted pursuant to the Proposed New ESOS;

THAT the Board be and is hereby authorised to give effect to the Proposed New ESOS with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed New ESOS;

AND THAT the New By-Laws for the Proposed New ESOS, as set out in Appendix I of the circular to shareholders dated 22 October 2018 (“**Circular**”) which is in compliance with the ACE Market Listing Requirements of Bursa Securities (“**Listing Requirements**”), be and is hereby approved and adopted.”

### **ORDINARY RESOLUTION 3 PROPOSED GRANTING OF ESOS OPTIONS TO LIM PENG TONG**

“THAT subject to the passing of Ordinary Resolutions 1 and 2 above, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed New ESOS, to offer and grant to Lim Peng Tong, being the Independent Non-Executive Chairman of the Company, options to subscribe for such number of SPB-ESOS Shares to be issued (as adjusted or modified from time to time pursuant to the New By-Laws) under the Proposed New ESOS subject always to the following provisions:

- (i) he must not participate in the deliberation or discussion of his own allocation of new SPB-ESOS Shares to be issued under the Proposed New ESOS; and
- (ii) not more than 10% of the new SPB-ESOS Shares available under the Proposed New ESOS shall be allocated to him, if he, either singly or collectively through persons connected with him or employees, holds 20% or more of the total number issued shares (excluding treasury shares) of the Company,

provided always that it is in accordance with any prevailing guidelines, the Listing Requirements, or any other authorities as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the New By-Laws of the Proposed New ESOS.”

### **ORDINARY RESOLUTION 4 PROPOSED GRANTING OF ESOS OPTIONS TO LEONG SENG WUI**

“THAT subject to the passing of Ordinary Resolutions 1 and 2 above, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed New ESOS, to offer and grant to Leong Seng Wui, being the Executive Director and Chief Executive Officer of the Company, options to subscribe for such number of SPB-ESOS Shares to be issued (as adjusted or modified from time to time pursuant to the New By-Laws) under the Proposed New ESOS subject always to the following provisions:

- (i) he must not participate in the deliberation or discussion of his own allocation of new SPB-ESOS Shares to be issued under the Proposed New ESOS; and
- (ii) not more than 10% of the new SPB-ESOS Shares available under the Proposed New ESOS shall be allocated to him, if he, either singly or collectively through persons connected with him or employees, holds 20% or more of the total number issued shares (excluding treasury shares) of the Company,

provided always that it is in accordance with any prevailing guidelines, the Listing Requirements, or any other authorities as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the New By-Laws of the Proposed New ESOS.”

**ORDINARY RESOLUTION 5  
PROPOSED GRANTING OF ESOS OPTIONS TO KENNY KHOW CHUAN WAH**

“THAT subject to the passing of Ordinary Resolutions 1 and 2 above, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed New ESOS, to offer and grant to Kenny Khaw Chuan Wah, being the Executive Director/Finance Director of the Company, options to subscribe for such number of SPB-ESOS Shares to be issued (as adjusted or modified from time to time pursuant to the New By-Laws) under the Proposed New ESOS subject always to the following provisions:

- (i) he must not participate in the deliberation or discussion of his own allocation of new SPB-ESOS Shares to be issued under the Proposed New ESOS; and
- (ii) not more than 10% of the new SPB-ESOS Shares available under the Proposed New ESOS shall be allocated to him, if he, either singly or collectively through persons connected with him or employees, holds 20% or more of the total number issued shares (excluding treasury shares) of the Company,

provided always that it is in accordance with any prevailing guidelines, the Listing Requirements, or any other authorities as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the New By-Laws of the Proposed New ESOS.”

**ORDINARY RESOLUTION 6  
PROPOSED GRANTING OF ESOS OPTIONS TO NG CHEE HENG**

“THAT subject to the passing of Ordinary Resolutions 1 and 2 above, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed New ESOS, to offer and grant to Ng Chee Heng, being the Executive Director of the Company, options to subscribe for such number of SPB-ESOS Shares to be issued (as adjusted or modified from time to time pursuant to the New By-Laws) under the Proposed New ESOS subject always to the following provisions:

- (i) he must not participate in the deliberation or discussion of his own allocation of new SPB-ESOS Shares to be issued under the Proposed New ESOS; and
- (ii) not more than 10% of the new SPB-ESOS Shares available under the Proposed New ESOS shall be allocated to him, if he, either singly or collectively through persons connected with him or employees, holds 20% or more of the total number issued shares (excluding treasury shares) of the Company,

provided always that it is in accordance with any prevailing guidelines, the Listing Requirements, or any other authorities as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the New By-Laws of the Proposed New ESOS.”

**ORDINARY RESOLUTION 7**  
**PROPOSED GRANTING OF ESOS OPTIONS TO LIONEL VERNON YONG NGUON KEE**

“THAT subject to the passing of Ordinary Resolutions 1 and 2 above, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed New ESOS, to offer and grant to Lionel Vernon Yong Nguon Kee, being the Independent Non-Executive Director of the Company, options to subscribe for such number of SPB-ESOS Shares to be issued (as adjusted or modified from time to time pursuant to the New By-Laws) under the Proposed New ESOS subject always to the following provisions:

- (i) he must not participate in the deliberation or discussion of his own allocation of new SPB-ESOS Shares to be issued under the Proposed New ESOS; and
- (ii) not more than 10% of the new SPB-ESOS Shares available under the Proposed New ESOS shall be allocated to him, if he, either singly or collectively through persons connected with him or employees, holds 20% or more of the total number issued shares (excluding treasury shares) of the Company,

provided always that it is in accordance with any prevailing guidelines, the Listing Requirements, or any other authorities as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the New By-Laws of the Proposed New ESOS.”

**ORDINARY RESOLUTION 8**  
**PROPOSED GRANTING OF ESOS OPTIONS TO CHONG CHING WAI**

“THAT subject to the passing of Ordinary Resolutions 1 and 2 above, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed New ESOS, to offer and grant to Chong Ching Wai, being the Independent Non-Executive Director of the Company, options to subscribe for such number of SPB-ESOS Shares to be issued (as adjusted or modified from time to time pursuant to the New By-Laws) under the Proposed New ESOS subject always to the following provisions:

- (i) he must not participate in the deliberation or discussion of his own allocation of new SPB-ESOS Shares to be issued under the Proposed New ESOS; and
- (ii) not more than 10% of the new SPB-ESOS Shares available under the Proposed New ESOS shall be allocated to him, if he, either singly or collectively through persons connected with him or employees, holds 20% or more of the total number issued shares (excluding treasury shares) of the Company,

provided always that it is in accordance with any prevailing guidelines, the Listing Requirements, or any other authorities as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the New By-Laws of the Proposed New ESOS.”

**ORDINARY RESOLUTION 9**  
**PROPOSED GRANTING OF ESOS OPTIONS TO LEONG SENG HOONG**

“THAT subject to the passing of Ordinary Resolutions 1 and 2 above, the Board be and is hereby authorised, at any time and from time to time during the existence of the Proposed New ESOS, to offer and grant to Leong Seng Hoong, being the Business Development Manager of ICT Utopia Sdn Bhd (a wholly owned subsidiary of the Company) and is also the brother of Leong Seng Wui (an Executive Director and Chief Executive Officer of the Company), options to subscribe for such number of SPB-ESOS Shares to be issued (as adjusted or modified from time to time pursuant to the New By-Laws) under the Proposed New ESOS subject always to the following provisions:

- (i) he must not participate in the deliberation or discussion of his own allocation of new SPB-ESOS Shares to be issued under the Proposed New ESOS; and
- (ii) not more than 10% of the new SPB-ESOS Shares available under the Proposed New ESOS shall be allocated to him, if he, either singly or collectively through persons connected with him or employees, holds 20% or more of the total number issued shares (excluding treasury shares) of the Company,

provided always that it is in accordance with any prevailing guidelines, the Listing Requirements, or any other authorities as amended from time to time and subject always to such terms and conditions and/or adjustments which may be made in accordance with the New By-Laws of the Proposed New ESOS.”

#### **ORDINARY RESOLUTION 10**

#### **PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS’ MANDATE”)**

“That, subject always to the provisions of the Companies Act 2016 (“CA 2016”), the Company’s Constitution, the Listing Requirements and/or any other regulatory authorities, the authority be and is hereby given for Macpie Pro Sdn Bhd, a 51% owned subsidiary of the Company and PDA Expert Mobility Sdn Bhd, a wholly owned subsidiary of the Company to enter into recurrent related party transactions of a revenue or trading nature with related parties as set out in Section 2.4 of Part B of the Circular provided that such transactions are in the ordinary course of business which are necessary for the day-to-day operations on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders and that such authority shall continue to be in force until:

- (a) the conclusion of the next annual general meeting (“AGM”) of the Company following the EGM at which the ordinary resolution for the Proposed Shareholders’ Mandate is passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM;
- (b) The expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the CA 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the CA 2016); or
- (c) revoked or varied at any time by an ordinary resolution passed by the shareholders in a general meeting before the next AGM, whichever is the earlier;

and that, authority be and is hereby given to the Directors of the Company and its subsidiaries to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed Shareholders’ Mandate and such transactions as authorised by this resolution.”

#### **By Order of the Board**

**LEE PENG LOON (MACS 01258)**  
**P’NG CHIEW KEEM (MAICSA 7026443)**  
**Company Secretaries**

Pulau Pinang  
Date: 22 October 2018

#### *Notes:*

- (1) *A proxy may but need not be a member of the Company.*
- (2) *A member shall be entitled to appoint more than one proxy to attend and to vote at the same meeting. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be presented by each proxy.*
- (3) *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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) *For a proxy to be valid, the proxy form duly completed, must be deposited at the registered office of the Company, 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than 24 hours before the time appointed for the taking of the poll or at any adjournment thereof. Last date and time for lodging of the proxy form will be on Wednesday, 28 November 2018 at 11.00 a.m. (being the approximate time appointed for the taking of the poll at the EGM).*
- (5) *In the case of corporate member, the proxy form must be executed under the corporation's common seal or under the hand of its officer or attorney duly authorised in which, it must be supported by a certified true copy of the resolution appointing the officer or certified true copy of the power of attorney.*
- (6) *For the purpose of determining a member who shall be entitled to attend the EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 22 November 2018. Only depositors whose name appears on the Record of Depositors as at 22 November 2018 shall be entitled to attend the EGM or appoint proxies to attend and/or vote on his/her behalf.*
- (7) *Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Securities, the resolutions set out in this Notice will be put to vote by poll.*