



KOTRA INDUSTRIES BERHAD

(497632-P)

(Incorporated in Malaysia under the Companies Act 1965)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 19th Annual General Meeting ("AGM") of the Company will be held at the Auditorium Hall, Kotra Pharma Technology Centre, No. 2, Jalan TTC 12, Cheng Industrial Estate, 75250 Melaka on Thursday, 22 November 2018 at 10:30 a.m. for the following purposes:-

AGENDA

- To receive the Audited Financial Statements for the financial year ended 30 June 2018 together with the Reports of the Directors and the Auditors thereon. **(Please refer to Note 6)**
- To approve the payment of a Single Tier Final Dividend of 3 sen per ordinary share for the financial year ended 30 June 2018. **(Resolution 1)**
- To approve the payment of Directors' Fees and Benefits payable up to an amount of RM300,000 from 23 November 2018 up to the date of the 20th AGM in 2019. **(Resolution 2)**
- To re-elect the following Directors, who are retiring pursuant to Article 97(1) of the Company's Constitution, being eligible, have offered themselves for re-election:-
 - Piong Teck Onn **(Resolution 3)**
 - Chin Swee Chang **(Resolution 4)**
- To re-appoint Messrs. Crowe Malaysia (formerly known as Crowe Horwath) as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

To consider and if thought fit, with or without any modification, to pass the following resolutions as ORDINARY RESOLUTIONS:

- Authority to Issue Shares pursuant to the Companies Act 2016** **(Resolution 6)**
 "THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") ("Bursa Securities") and the approvals of any other relevant governmental and/or regulatory authorities, where such approval is required, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company, at any time, at such price, to such persons and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion, deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being;
 AND THAT the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities; AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company."
- Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature** **(Resolution 7)**
 "THAT subject to the provisions of the MMLR, approval be and is hereby given for the Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature for the Company and/or its subsidiaries to enter into and give effect to the category of the recurrent related party transactions of a revenue or trading nature from time to time with the Related Party as specified in Section 2.3.2(a) of the Circular to Shareholders dated 24 October 2018 provided that such transactions are:-
 - recurrent transactions of a revenue or trading nature;
 - necessary for the Company's day-to-day operations;
 - carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
 - not to the detriment of minority shareholders
 ("Proposed Shareholders' Mandate").
 THAT the authority for the Proposed Shareholders' Mandate shall continue to be in force until the earlier of:-
 - the conclusion of the next AGM of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;
 - the expiration of the period within which the next AGM is to be held pursuant to Section 340(2) of the Act but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
 - revoked or varied by resolution passed by the shareholders in a general meeting.
 whichever is earlier.
 AND THAT the Directors of the Company be authorised to complete and do such acts and things (including executing all such documents as may be required), as they may consider expedient in the best interest of the Company to give full effect to the Proposed Shareholders' Mandate."
- To transact any other ordinary business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a Single Tier Final Dividend of 3 sen net per ordinary share in respect of the financial year ended 30 June 2018 will be payable on 18 December 2018 to depositors who are registered in the Record of Depositors at the close of business on 3 December 2018, if approved by shareholders at the forthcoming 19th AGM on Thursday, 22 November 2018.

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

- Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 3 December 2018 in respect of ordinary transfers; and
- Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)

MAK CHOOI PENG (MAICSA 7017931)

TAY SEOK YIN (MAICSA 7063410)

Company Secretaries

Melaka

24 October 2018

Notes:

Proxy

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 14 November 2018 ("General Meeting Record of Depositors") shall be eligible to attend, speak and vote at the Meeting.
- A member entitled to attend and vote at the Meeting is entitled to appoint more than one (1) proxy to attend and vote in his stead. A proxy may but does not need to be a member of the Company. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualifications of the proxy.
- In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
- Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") 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 shareholder is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Registered Office of the Company at No. 60-1, Jalan Lagenda 5, Taman 1 Lagenda, 75400 Melaka not less than 48 hours before the time for holding the Meeting or at any adjournment thereof. All resolutions set out in the Notice of the Meeting are to be voted by poll.

Note:

- Audited Financial Statements for the financial year ended 30 June 2018**
 Item 1 of the Agenda is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

Explanatory Notes to Ordinary Special Business:

- Payment of Directors' fees and benefits**
 Section 230(1) of the Act provides among others, that the 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.
 In this respect, the Board wishes to seek shareholders' approval at the 19th AGM on the proposed Resolution 2 on payment of Directors' Fees and Benefits for the Non-Executive Directors of RM300,000.00 for the period from 23 November 2018 up to the date of the 20th AGM in 2019. The Directors' benefits comprise meeting allowances payable to the Non-Executive Directors at RM300.00 for each meeting.
- Authority to Issue Shares pursuant to the Act**
 The proposed Resolution 6 is intended to renew the authority granted to the Directors of the Company at the 18th AGM of the Company held on 23 November 2017 to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company for the time being (hereinafter referred to as the "General Mandate").
 The General Mandate granted by the shareholders at the 18th AGM had not been utilised and hence no proceed was raised therefrom.
 The new General Mandate will enable the Directors to take swift action for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.
- Proposed Shareholders' Mandate**
 The proposed Resolution 7 is intended to enable the Company and its affiliated companies to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Company's day-to-day operations to facilitate transactions in the normal course of business of the Company with the specified classes of related parties, provided that they are carried out on arms' length basis and on normal commercial terms and are not prejudicial to the shareholders on terms not more favorable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.
 Please refer to the Circular to Shareholders dated 24 October 2018 for further information.