

**NOTICE IS HEREBY GIVEN** that the Thirty-eighth (38th) Annual General Meeting ("AGM") of Hovid Berhad ("Hovid" or "the Company") will be held at Ballroom 1, Level 6, Weil Hotel, 292, Jalan Sultan Idris Shah, 30000 Ipoh, Perak Darul Ridzuan on Monday, 26 November 2018 at 10.30 a.m. for the following purposes:-

**As Ordinary Business:-**

**AGENDA**

- To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2018 together with the Reports of the Directors and Independent Auditors thereon. **Please refer to Explanatory Note 1**
- To approve the payment of Directors' fees of up to an amount of RM500,000 for the period from the date of the 38th AGM until the date of the 39th AGM of the Company. **Ordinary Resolution 1**
- To approve Directors' benefits of up to an amount of RM300,000 for the period from the date of the 38th AGM until the date of the 39th AGM of the Company. **Ordinary Resolution 2**
- To re-elect the following Directors who retire pursuant to the Company's Constitution:-
  - Ho Sue San @ David Ho Sue San **Ordinary Resolution 3**
  - YM Raja Shamsul Kamal Bin Raja Shahruzzaman **Ordinary Resolution 4**
  - Chiam Tau Meng **Ordinary Resolution 5**
- To re-appoint Messrs Grant Thornton Malaysia as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

**As Special Business:-**

To consider and if thought fit, to pass the following resolutions:-

- PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS**
  - THAT** approval be and is hereby given to Dr Chuah Chaw Teo who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company. **Ordinary Resolution 7**
  - THAT** approval be and is hereby given to YM Raja Shamsul Kamal Bin Raja Shahruzzaman who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company. **Ordinary Resolution 8**
- AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

**THAT** subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any other governmental/regulatory authorities, where such approval is necessary, the Directors be and are hereby authorized, pursuant to Sections 75 and 76 of the Act to allot and issue shares in the capital of the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever 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 cent (10%) of the total issued share capital of the Company for the time being, **AND THAT** the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities and other relevant authorities where such approval is necessary **AND THAT** such authority shall continue in force until the conclusion of the next AGM of the Company after the approval was given or at the expiry of the period within which the next AGM 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 9**

- PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES ("PROPOSED RENEWAL OF RRPT MANDATE")**

**THAT** subject to the provisions of the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions ("RRPT") of a revenue or trading nature with the related parties as specified in Section 2.1 of the Circular to Shareholders dated 29 October 2018 ("Proposed Renewal of RRPT Mandate"), which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and/or its subsidiaries on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company; and that such approval shall continue to be in force until:-

- the conclusion of the next AGM of the Company following this AGM, at which such resolution for the Proposed Renewal of RRPT Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- the expiration of the period within which the next AGM after that date is required 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 ordinary resolution passed by the shareholders 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 such documents as may be required) to give effect to such transactions as authorised by this Resolution. **Ordinary Resolution 10**

- PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF SBB MANDATE")**

**THAT** subject always to the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and all other applicable laws, regulations and guidelines, the Company be and is hereby authorised to purchase such number of issued shares in Hovid ("Hovid Shares") 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 ordinary shares purchased and/or held by the Company as treasury shares shall not exceed ten per cent (10%) of the issued share capital of the Company at any point in time;
- the funds allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained profits of the Company;

**THAT** upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:-

- cancel all the shares so purchased; and/or
- retain the Hovid Shares so purchased as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act); and/or
- retain part thereof as treasury shares and cancel the remainder; or
- in any other manner as prescribed by the Act and the requirements of Listing Requirements and any other relevant authority for the time being in force.

**THAT** such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:

- the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an 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 is required by law to be held; or
- revoked or varied by an ordinary resolution passed by the shareholders of the Company in general meeting,

whichever occurs first.

**AND THAT** the Directors of the Company be authorised to give effect to the Proposed Renewal of SBB Mandate with full power to assent to any modifications and/or amendments as may be required by the relevant authorities. **Ordinary Resolution 11**

- To consider any other business of which due notice shall have been given in accordance with the Act.

By Order of the Board

**Goh Tian Hock (MIA 8222)**  
**Ng Yuet Seam (MAICSA 7005639)**  
**Company Secretaries**

Ipoh, Perak Darul Ridzuan  
 29 October 2018

**NOTES:-**

- A member entitled to attend and vote is entitled to appoint one or more proxies, to attend and vote instead of him. A proxy may but need not be a member.
- Where a member appoints two (2) or more proxies to attend and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy. Each proxy appointed, shall represent a minimum of 100 shares.
- An authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), may appoint one (1) proxy in respect of each securities account it holds.
- An exempt authorised nominee, as defined under the SICDA and holding ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account") may appoint multiple proxies in respect of each of its omnibus account.
- 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 duly executed Form of Proxy must be deposited at the Registered Office of the Company at No. 121, Jalan Tunku Abdul Rahman, 30010 Ipoh, Perak Darul Ridzuan or alternatively, the Share Registrar of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.
- Only members whose name appear in the General Meeting Register of Depositors as at 15 November 2018 shall be entitled to attend this meeting or appoint proxy(ies) to attend and/or vote on their behalf.

**EXPLANATORY NOTES:-**

- Item 1 of the Agenda – Audited Financial Statements**  
 This agenda item is meant for discussion only, as the provision of Section 340(1) 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.
- Ordinary Resolutions 1 and 2 – Directors' Fees and Benefits**  
 Pursuant to Section 230(1) of the Act, fees and benefits payable to the Directors of the Company shall be approved at a general meeting. The Company is seeking shareholders' approval for the payment of Directors' fees for the period from the forthcoming AGM until the next AGM of the Company and benefits to the Directors for the period from the forthcoming AGM until the next AGM of the Company in accordance with the fees structure set out below:

Directors' Fees per pay	per month
Chairman of the Board of Directors	RM5,000
Chairman of the Audit Committee	RM5,500
Executive Directors	RM4,000
Independent Non-Executive Directors	RM4,000

- Ordinary Resolutions 3 to 5 – Re-election of Directors pursuant to Article 83 of the Company's Constitution**  
 Article 83 of the Company's Constitution provides that one third (1/3) of the Directors are subject to retirement by rotation at Annual General Meeting at least once in every three (3) years and all retiring Directors shall be eligible for re-election.  
 Mr Ho Sue San @ David Ho Sue San, YM Raja Shamsul Kamal Bin Raja Shahruzzaman and Mr Chiam Tau Meng, who shall retire in accordance with Article 83 of the Company's Constitution, being eligible, have offered themselves for re-election at the 38th AGM.  
 The Board had, through the Nomination and Remuneration Committee of the Company, conducted an annual assessment of the members of the Board and Board Committees for the financial year ended 30 June 2018 and endorsed the recommendation of the Nomination and Remuneration Committee for the re-election of Mr Ho Sue San @ David Ho Sue San, YM Raja Shamsul Kamal Bin Raja Shahruzzaman and Mr Chiam Tau Meng to the shareholders for approval at the 38th AGM.
- Ordinary Resolutions 7 and 8 – Proposed Retention of Independent Non-Executive Directors**  
 The proposed Ordinary Resolutions 7 and 8, if passed, will enable Independent Non-Executive Directors, Dr Chuah Chaw Teo and YM Raja Shamsul Kamal Bin Raja Shahruzzaman, who have served in that capacity for a cumulative term of more than twelve (12) years, to continue in office as Independent Non-Executive Directors of the Company, without re-election.  
 The recommended best practice in the Malaysian Code on Corporate Governance ("MCCG") sets out that if the Board continues to retain the Independent Director after the 12th year, the Board should seek annual shareholders' approval through a two-tier voting process.  
 The Board of Directors (where Dr Chuah Chaw Teo and YM Raja Shamsul Kamal Bin Raja Shahruzzaman had abstained) has assessed the independence of Dr Chuah Chaw Teo and YM Raja Shamsul Kamal Bin Raja Shahruzzaman, who served as Independent Non-Executive Directors of the Company for a cumulative term of more than twelve (12) years and has recommended them to continue to act as Independent Non-Executive Directors of the Company until the conclusion of the next AGM in accordance with the MCCG, based on the following jurisdictions:-
  - They fulfilled the criteria under the definition of an Independent Director as set out in the Main Market Listing Requirements of Bursa Securities, and therefore, are able to function as a check and balance, provide a broader view and bring independent and objective judgment to the Board;
  - Their vast experience in their respective fields enable them to provide the Board with a diverse set of experiences, expertise and independent judgments;
  - They have performed their duties diligently and in the best interest of the Company and provided independent views in participating in deliberations and decision making process of the Board and Board Committees;
  - Their length of service on the Board does not in any way interfere their exercise of independent judgment and ability to act in the best interests of the Group.
- Ordinary Resolution 9 – Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016**  
 The proposed Ordinary Resolution, if passed, will empower the Directors of the Company, from the date of the above AGM, to allot and issue new shares of the Company up to an amount not exceeding in total ten per cent (10%) of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless earlier revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company. The general mandate for issue of shares is a renewal. As at the date of this Notice, the Directors did not allot nor issue any shares under the same mandate granted last year. Nevertheless, a renewal for the said mandate is sought to avoid incurring any costs or delay in convening a general meeting. The Directors would utilize the proceeds raised from this mandate for working capital or such other applications they may in their absolute discretion deem fit.
- Ordinary Resolution 10 – Proposed Renewal of RRPT Mandate**  
 The proposed Ordinary Resolution 10, if passed, will provide the Company and its Group a mandate to enter into RRPT of a revenue or trading nature in compliance with the Main Market Listing Requirements of Bursa Securities. The mandate, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.
- Ordinary Resolution 11 – Proposed Renewal of SBB Mandate**  
 The proposed Ordinary Resolution, if passed, will give the Directors of the Company the authority to purchase the Company's own shares up to an amount not exceeding in total ten per cent (10%) of its issued share capital at any point in time upon such terms and conditions as the Directors may deem fit in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.  
 Details of the proposed Ordinary Resolution are contained in the Share Buy-Back Statement in this Annual Report.