



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting of **PELANGI PUBLISHING GROUP BHD.** will be held at Palm Resort Berhad, Melati Hall, Jalan Persiaran Golf, Off Jalan Jumbo, 81250 Senai, Johor on Friday, 15 March 2019 at 10.00 a.m. to transact the following businesses:

AGENDA

ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 30 September 2018 together with the Directors' and Auditors' Reports thereon.
- To approve the payment of a final single tier dividend of 0.50 sen per ordinary share for the financial year ended 30 September 2018.
- To approve the payment of the Non-Executive Directors' Fees of RM80,500.00 and Benefits of RM10,000.00 for the financial year ended 30 September 2018.
- To approve the payment of the Non-Executive Directors' Fees of RM101,916.67 and Benefits of RM12,400.00 for the financial year ending 30 September 2019.
- To re-elect the following Directors retiring in accordance with the Company's Articles of Association:
 - Syahrizza binti Senan – Article 123
 - Vincent Wong Soon Choy – Article 123
 - Datin Dr. Norrizan Binti Razali – Article 128
 - Wong Tuck Cheong – Article 128
- To re-appoint Messrs Grant Thornton Malaysia as Auditors of the Company and authorise the Directors to fix their remuneration.

ORDINARY RESOLUTION 1
ORDINARY RESOLUTION 2
ORDINARY RESOLUTION 3

ORDINARY RESOLUTION 4
ORDINARY RESOLUTION 5
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ORDINARY RESOLUTION 7
ORDINARY RESOLUTION 8

SPECIAL BUSINESS

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

AUTHORITY TO ALLOT SHARES – SECTION 75 AND 76

THAT pursuant to Section 75 and 76 of the Companies Act, 2016 and subject to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time 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 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 approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

PROPOSED RENEWAL OF AUTHORISATION FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (“Proposed Renewal Of Share Buy-Back Authority”) **ORDINARY RESOLUTION 10**

THAT subject to the provisions of the Companies Act, 2016 (“the Act”), the Articles of Association of the Company, Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and other relevant authorities, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company (“Proposed Share Buy-Back Authority”) 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 maximum aggregate number of ordinary shares purchased and/or held by the Company as treasury shares shall not exceed ten percent (10%) of the total number of issued shares 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. The audited retained profits of the Company stood at RM9,405,825 as at 30 September 2018.
- the authority conferred by this resolution shall continue to be in force until: -
 - the conclusion of the next Annual General Meeting (“AGM”) of the Company following the forthcoming AGM, at which time the said authority will lapse, unless the authority is renewed at that meeting, either unconditionally or subject to conditions; or
 - the expiration of the period within which the next AGM of the Company 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 resolution passed by the shareholders in a general meeting, whichever occurs first.

ORDINARY RESOLUTION 9

THAT the Directors of the Company be and are hereby authorised to deal with the shares purchased at their absolute discretion, either partially or fully, in the following manner:

- cancel all the shares so purchased;
- retain the shares so purchased as treasury shares;
- distribute the treasury shares as share dividends to shareholders;
- resell the treasury shares on Bursa Securities in accordance to the Main Market Listing Requirements of Bursa Securities; and
- any combination of (i), (ii), (iii) and (iv) above.

AND that the Directors of the Company be and are hereby authorised to give effect to the Proposed Share Buy-Back Authority with full power to assent for any modifications and/or amendments as may be required by the relevant authorities.

CONTINUATION OF TERMS OF OFFICE AS INDEPENDENT DIRECTOR

THAT the terms of office of Syahrizza Binti Senan be remained as Independent Director of the Company in accordance with Malaysian Code On Corporate Governance.”

PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“Proposed RSM”)

THAT approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties mentioned under section 2.1.2 of the Circular to Shareholders dated 29 January 2019 which are necessary in the course of business of the Company and/or its subsidiaries for day-to-day operations and on normal commercial terms which are in force more favorable to the related parties than those available to the public and not detrimental to the minority shareholders of the Company and such approval shall continue to be in force until:-

- the conclusion of the next AGM of the Company following the forthcoming AGM at which such Proposed Renewal of The Existing Shareholders’ Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature was passed, at which time will lapse, unless by ordinary resolution passed at an AGM whereby the authority is renewed, either unconditionally or subject to conditions;
- the expiration of the period within the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act, 2016, (“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.”

PROPOSED ALTERATION OF AMENDMENT OF CONSTITUTION OF THE COMPANY

THAT approval be and is hereby given to alter or amend the existing Constitution of the Company by replacing it entirely with a new Constitution of the Company as set out in Appendix II with immediate effect **AND THAT** the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing.”

- To transact any other business appropriate to an Annual General Meeting, due notice of which shall have been previously given in accordance with the Companies Act, 2016 and the Company's Articles of Association.

NOTICE OF DIVIDEND ENTITLEMENT

FINAL SINGLE TIER DIVIDEND OF 0.50 SEN PER ORDINARY SHARE

NOTICE IS HEREBY GIVEN THAT subject to the approval of the shareholders at the Seventeenth Annual General Meeting, the final single tier dividend of 0.50 sen per ordinary share in respect of the financial year ended 30 September 2018 will be payable on 26 April 2019 to Depositors registered in the Record of Depositors at the close of business on 05 April 2019. A Depositor shall qualify for entitlement only in respect of:

- Securities transferred into the Depositor's Securities Account before 4.00 p.m. on 05 April 2019 in respect of transfer; and
- Securities bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

ORDINARY RESOLUTION 11

ORDINARY RESOLUTION 12
SPECIAL RESOLUTION 1

BY ORDER OF THE BOARD

LEONG SIEW FOONG (MAICSA NO. 7007572)
HUAN CHUAN SEN @ AH LOY (MACS 01519)
Company Secretaries

Johor Bahru
Dated: 29 January 2019

NOTES:

- A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. The proxy need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of a company shall have the same rights as the member to speak at the meeting.
- A member shall be entitled to appoint more than one proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting. Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- 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 member is an authorised nominee as defined under SICDA, it may appoint 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 shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its officer or attorney.
- The instrument appointing the proxy must be deposited at the Company's Share Registrar, Symphony Share Registrars Sdn Bhd situated at Symphony House Pusat Dagangan Dana, 1, Jalan PJU 1/A/46, 47301 Petaling Jaya, Selangor, Malaysia not less than forty-eight hours before the time appointed for holding the Meeting and any adjournment thereof.

EXPLANATORY NOTES ON ORDINARY BUSINESS:

Audited Financial Statements for financial year ended 30 September 2018
This Agenda item is meant for discussion only as the audited financial statements do not require formal approval of shareholders pursuant to 340 (1)(a) of the Companies Act, 2016. Hence, the matter will not be put for voting.

Directors' remuneration

The Board recommended to shareholders for approval the following two (2) separate resolutions in accordance with Section 230 CA 2016:-

- Ordinary Resolution 2 on payment of Non-Executive Directors' fees and benefits in respect of the financial year ended 30 September 2018; and
- Ordinary Resolution 3 on payment of Non-Executive Directors' fees and benefits in respect of the financial year ending 30 September 2019 and until the next AGM (“Relevant Period”).

Directors' fees

The Board decided that the Non-Executive Directors' fees for financial year ended 30 September 2018 be maintained as the previous FY subject to the approval of the Company and the current global economy. The detailed Non-Executive Directors' fees are contained in page 35 of Corporate Governance Overview.

Directors' remuneration (excluding Directors' fees)

The Directors' remuneration (excluding Directors' fees) comprises the allowances and other emoluments payable to Non-Executive Directors. Benefits of RM10,000.00 are to reimburse Non-Executive Directors' travelling expenses to attend meetings of Company. Payment of benefits to the NEDs will be made by the Company as and when incurred, after they have discharged their responsibilities and rendered their services to the Company of the Relevant Period, based on the proposed benefits, if the proposed Ordinary Resolutions 2 and 3 are passed at the forthcoming Annual General Meeting.

The benefits payable to the Directors (excluding Directors' Fees) comprises meeting allowances payable to all the Directors. The Board is of the view that it is just and equitable for the Directors to be paid the Directors' benefits (excluding Directors' fees) as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company for the time being shall retire by rotation at an AGM of the Company while for the Article 128 provides that the Board shall have the power to appoint any person to be a Director to fill a casual vacancy and as an addition to the existing Board, and that any Director so appointed shall hold office until the next following AGM and shall then be eligible for re-election.

With the current Board size of seven (7), two (2) Directors are to retire in accordance with Article 123 and another two (2) Directors are to retire in accordance with Article 128 of the AA.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 17th AGM, the Nominating Committee (“NC”) has considered the following:

- The assessment of the individual Director's level of contribution to the Board through each of their skills, experience and strength in qualities; and
- The level of independence demonstrated by each of the Non-Executive Directors (“NEDs”), and their ability to act in the best interests of the Company in decision-making, to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

In line with the Malaysian Code on Corporate Governance (“MCCG”), the Board has conducted an assessment of independence of the NEDs, and also other criteria i.e. character, integrity, competence, experience and time commitment in effectively discharging their respective roles as Directors of the Company. The individual Directors were assessed based on performance criteria set in the areas of Board dynamics and participation, competency and capability, independence and objectivity, probity and personal integrity, contribution and performance together with their ability to make analytical inquiries and offer advice and guidance. Each of the NEDs has also provided his/her annual declaration/confirmation of independence.

The Board accepted the NC's recommendation that the Directors who retire in accordance with Article 123 and Article 128 of the AA are eligible to stand for re-election. All these retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board meeting.

Appointment of Auditors

Pursuant to Section 233(b) of the Act, the term of office of the present Auditors, Messrs Grant Thornton Malaysia, shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office. Messrs Grant Thornton Malaysia, have indicated their willingness to continue their service until the conclusion of the 18th AGM. The re-appointment of Messrs Grant Thornton Malaysia as Auditors has been considered against the relevant criteria prescribed by Paragraph 15.21 of the MMLR. This proposed Ordinary Resolution 8, if passed, will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.

Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of The Companies Act 2016

The Board has considered the proposed Authority to Allot and Issue Shares and has given its approval to the Board of Directors to issue and allot shares at any time in their absolute discretion without convening a general meeting. This is a renewal of a general mandate. The Company did not utilise the mandate granted in the preceding year's Annual General Meeting.

The authority will, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting.

The authority will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limiting to further placing of shares, for the purpose of funding future investments, acquisition(s) and/or working capital.

Proposed Renewal Of Share Buy-Back Authority

The Ordinary Resolution 10, if passed, will empower the Directors to purchase the Company's shares of up to 10% of the total number of issued shares of the Company at any point of time, by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting. Please refer to Statement of Share Buy-Back dated 29 January 2019.

Continuation of terms of office as Independent Director

Syahrizza Binti Senan is an Independent Director of the Company who has served the Company for more than twelve years.

In line with the Malaysian Code on Corporate Governance, the Nomination Committee has assessed her independence as defined in Bursa Securities Listing Requirement which has not been compromised all these while. In fact, she exercises her judgement in an independent and unfettered manner, discharge her duties with reasonable care, skill and diligence; bringing independent thought and experience to board deliberations and decision making process all these while which is valuable to the Company. She would not hesitate to raise doubts over any issues, albeit on audited financial statement or internal audit, until she is satisfied with their explanation or proposed recommendations. Hence, the Board recommends Syahrizza Binti Senan to continue her office as an Independent Director according to the resolution put forth in the forthcoming Annual General Meeting.

Ms Syahrizza has met the independence as defined in Bursa Securities Listing Requirements. In addition, the Board assessed her independence annually. Her independence has not been compromised all these while.

Proposed Renewal Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed RSM”)

The Proposed RSM under Ordinary Resolution 12 was intended to renew the shareholders' mandate granted by the shareholders of the Company at an Annual General Meeting of the Company held on 16 March 2018.

The Proposed RSM is to facilitate transactions in the normal course of business of the Company and its subsidiaries (“the Group”) which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm's length basis and on the Group's normal commercial terms and are not prejudicial to the shareholders on terms no more favorable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

By obtaining the shareholders' mandate on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

Further information on Proposed RSM is set out in the Circular to Shareholders of the Company which is dispatched together with the Annual Report of the Company for the financial year ended 30 September 2018.

Proposed alteration or amendment of the Constitution of the Company

The Memorandum and Articles of Association of the Company shall have effect and enforceable under Companies Act 2016 pursuant to Section 6(1)(d) of Companies Act 2016. The Company is proposing a new Constitution to replace its existing Memorandum & Articles of Association (deemed as Constitution by Companies Act 2016) in order to bring the Constitution in line with Companies Act 2016 and Bursa Securities Malaysia Berhad Listing Requirement besides to enhance administrative efficiency. The proposed new Constitution is attached hereto and identified as Appendix II. The Appendix II on the Proposed alteration or amendment of the Constitution of the Company which is circulated together with the Notice of 17th Annual General Meeting (AGM) dated 29 January 2019, shall take effect once the Proposed Special Resolution has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the said AGM.