

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Third Annual General Meeting of Timberwell Berhad ("Company") will be held at Crown 2, 2nd Floor, Sabah Oriental Hotel, Jalan Kemajuan, Karamunsing, 88000 Kota Kinabalu, Sabah on Tuesday, 21st day of May 2019 at 2:00 p.m. for the following purposes:

**AGENDA**

**AS ORDINARY BUSINESS**

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon. **Please refer to Explanatory Note (a)**
2. To approve the payment of Directors' fees amounting to RM250,000.00 for the financial year ended 31 December 2018. **RESOLUTION 1**
3. To approve the payment of Directors' remuneration (excluding Directors' Fees) payable to the Board of the Company and its subsidiaries amounting to RM150,000.00 for the period from 22 May 2019 until the next Annual General Meeting of the Company. **RESOLUTION 2**
4. To re-elect the following directors who retire in accordance with Clause 97 of the Constitution of the Company and being eligible offer themselves for re-election:-
  - a. Datuk Yap Pak Leong **RESOLUTION 3**
  - b. Madam Agnes Soei-Tin Lamey **RESOLUTION 4**
5. To approve the payment of a final single-tier dividend of 2 sen per ordinary share for the financial year ended 31 December 2018. **RESOLUTION 5**
6. To appoint Auditors for ensuing year and to authorise the Director to determine their remuneration. **RESOLUTION 6**

**AS SPECIAL BUSINESS**

To consider and, if thought fit, to pass the following resolutions, with or without modification:-

7. **Ordinary Resolution**  
**- Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016** **RESOLUTION 7**  
 "THAT subject to Section 75 of the Companies Act 2016 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons 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 ten per centum (10%) of the total number of issued shares of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company in accordance with Section 76 of the Companies Act 2016."
8. **Ordinary Resolution**  
**- Retention of Independent Director in accordance with the Malaysian Code on Corporate Governance 2017**  
 (a) "THAT authority be and is hereby given to Dato' Seri Abdul Azim Bin Mohd Zabidi, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company." **RESOLUTION 8**  
 (b) "THAT subject to the passing of Resolution 3, authority be and is hereby given to Datuk Yap Pak Leong, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company." **RESOLUTION 9**
9. To transact any other ordinary business of the Company for which due notice shall have been given.

**NOTICE OF DIVIDEND ENTITLEMENT**

NOTICE IS HEREBY GIVEN THAT subject to the approval of the shareholders at Twenty-Third Annual General Meeting, a final single-tier dividend of 2 sen per ordinary share for the financial year ended 31 December 2018, if approved, will be paid on 2 July 2019 to holders of ordinary shares registered in the Record of Depositors of the Company at the close of business on 3 June 2019.

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

- a) Securities transferred into the Depositor's Securities Account before 4:00 p.m. on 3 June 2019 in respect of transfers; and
- b) Securities bought on the Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of the Bursa Securities.

**BY ORDER OF THE BOARD**

**TAN KOK SIONG (LS 0009932)**  
**TAN BEE HWA (MAICSA 7058049)**  
 Company Secretaries

Kota Kinabalu  
 22nd day of April 2019

**NOTES:**

1. Every member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend participate, speak and vote for him/her but his attendance shall automatically revoke the proxy's authority. A proxy may but need not be a member of the Company.
2. To be valid, this form duly completed must be deposited at the registered office of the Company at Lot 8 & 9, Block A, 2nd Floor, Damai Point Commercial Centre, Off Jalan Damai, Luyang, 88300 Kota Kinabalu, Sabah not less than forty-eight (48) hours before the time appointed for holding the meeting or adjournment thereof.
3. A member shall be entitled to appoint not more than two (2) proxies to attend, vote and speak at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
4. Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, he may appoint not more than two (2) proxies in respect of each Securities Account he holds in ordinary shares of the Company standing to the credit of the said Securities Account. 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. Where an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
5. 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 the corporation's seal or under the hand of an officer or attorney duly authorised.
6. Date of Record of Depositors for the purpose of determining Members' entitlement to attend, participate, speak and vote at the Annual General Meeting is 13 May 2019.

**EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESSES:**

- (a) **Item 1 of the Agenda**  
**- Audited Financial Statements for the financial ended 31 December 2018**  
 This Agenda item is meant for discussion only, as the provision of Section 248 and Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence this item will not be put for voting.
- (b) **Item 2 of the Agenda**  
**- Directors' fees (Resolution 1)**  
 Section 230(1) of the Companies Act 2016 provides that 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.  
 The payment of the Directors' fees for the financial year ended 31 December 2018 will only be made if the proposed Resolution 1 has been passed at the Twenty-Third Annual General Meeting ("23rd AGM") pursuant to Clause 105 of the Company's Constitution and Section 230(1) of the Companies Act 2016.
- (c) **Item 3 of the Agenda**  
**- Directors' Remuneration and any benefit payable (Resolution 2)**  
 The Directors' remuneration (excluding Directors' fees) comprises only the meeting allowance payable to the Board of the Company and its subsidiary as follows:-

	Executive Director(s) (RM'000)	Independent Directors (RM'000)	Total Amount (RM'000)
Meeting Allowance	10	140	150

In determining the estimated amount of remuneration payable to the Directors, the Board of Directors ("the Board") considered various factors including the number of scheduled meetings for the Board, Board Committees and general meeting(s) of the Company as well as the number of Directors involved in these meetings.

The Board is of the view that it is just and equitable for the Directors to be paid the Directors' remuneration (excluding Directors' Fees) on a monthly basis and/or as and when incurred, particularly after having discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the financial period from 22 May 2019 until the next Annual General Meeting ("AGM"). Payment of the Directors' remuneration will be made by the Company and its subsidiaries at their discretion, if the proposed Resolution 2 is passed at the 23rd AGM.

- (d) **Item 6 of the Agenda**  
**- Appointment of Auditors (Resolution 6)**  
 Messrs. Crowe Malaysia PLT has indicated that they do not wish to seek for re-appointment as auditors at the forthcoming 23rd AGM of the Company.  
 The Notice of Nomination for the appointment of Messrs. Baker Tilly Monteiro Heng PLT as auditors (a copy of which is annexed and marked as "Appendix A") has been received by the Company.
- (e) **Item 7 of the Agenda**  
**- Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 (Resolution 7)**  
 The proposed Ordinary Resolution 7, 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 share 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 ("the Previous Mandate"). The Previous Mandate was not utilised and no proceeds were raised.  
 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.

- (f) **Item 8 of the Agenda**  
**- Continuing in Office as Independent Non-Executive Director (Resolutions 8 and 9)**  
 The Nomination and Remuneration Committee has assessed the independence of Dato' Seri Abdul Azim Bin Mohd Zabidi and Datuk Yap Pak Leong, who have served as the Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years, and has recommended them to continue to act as the Independent Non-Executive Directors of the Company based on the following justifications:-
  - i. fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, would be able to function as a check and balance, bring an element of objectivity to the Board;
  - ii. have vast experience in the industry that could be shared with the Board but independent judgement to better manage and run the Company;
  - iii. familiar with the Company's business operations and the timber industry as they have served the Company for more than nine (9) years;
  - iv. have devoted sufficient time and attention to discharge the professional obligations for informed and balanced decision making; and
  - v. have exercised due care during their tenure as an Independent Non-Executive Directors of the Company and carried out their professional duties in the interest of the Company and shareholders.

Under the Malaysia Code on Corporate Governance 2017 ("Code") retention of an Independent Director above 12 years will require shareholders' approval through the two-tier voting process:-

- Tier 1: Voting by large shareholder(s); and
- Tier 2: Voting by other shareholders.

Shareholders' approval for Ordinary Resolutions 8 and 9 will be sought on two tier voting basis, if passed, will allow the Independent Directors to be retained and continue acting as Independent Directors to fulfill the requirements of Paragraph 3.04 of the Main Market Listing Requirements of Bursa Securities and in line with the practice 4.2 of the Code.