

# NOTICE OF ANNUAL GENERAL MEETING

## PROGRESSIVE IMPACT CORPORATION BERHAD (203352 V) (Incorporated in Malaysia)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 27th Annual General Meeting of the Company will be held at Velocity Room, Ground Floor, MERCU PICORP, Lot 10, Jalan Astaka U8/84, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan on **Wednesday, 19 June 2019, at 10.00 a.m.** to transact the following business:-

#### ORDINARY BUSINESS

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|---|---|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2018 together with the Directors' and Auditors' Reports thereon.  | (Please refer to Note 1 of the Explanatory Notes) |
| 2. To approve the payment of the Single Tier Final Dividend of 0.35 sen per share for the year ended 31 December 2018.                                    | Resolution 1                                      |
| 3. To re-elect Zaidah Binti Mohd Salleh, who shall retire pursuant to Article 83 of the Constitution of the Company, as Director.                         | Resolution 2                                      |
| 4. To re-elect Dato' Hajjah Rosnani Binti Ibarahim, who shall retire pursuant to Article 83 of the Constitution of the Company, as Director.              | Resolution 3                                      |
| 5. To approve the Directors' fees of RM278,150 for the financial year ended 31 December 2018.   | Resolution 4                                      |
| 6. To approve the Directors' fees of RM370,000 for the period from 1 January 2019 up to the date of the next Annual General Meeting to be held in 2020.   | Resolution 5                                      |
| 7. To approve the Directors' benefits of RM308,000 for the period from 20 June 2019 up to the date of the next Annual General Meeting to be held in 2020. | Resolution 6                                      |
| 8. To re-appoint Messrs Ernst & Young as Auditors of the Company and authorise the Directors to fix their remuneration.                                   | Resolution 7                                      |

#### SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions, with or without modifications, as Ordinary and Special Resolutions of the Company:

##### 9. ORDINARY RESOLUTION

###### **Proposed renewal of the existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature**

"THAT pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiaries ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.2 of the Circular to Shareholders dated 30 April 2019 ("Related Parties") provided that such transactions and/or arrangements are:

- (a) necessary for the day-to-day operations;

Resolution 8

(b) undertaken in the ordinary course of business at arm's length basis and are on normal commercial terms and transaction price which are not more favourable to the Related Parties than those generally available to the public; and

(c) not detrimental to the minority shareholders of the Company,

("Shareholders' Mandate");

AND THAT such approval, shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at such AGM, the authority is renewed; or

(ii) 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 Companies Act 2016 ("the Act") but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or

(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company 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 all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

#### 10. ORDINARY RESOLUTION

##### **Proposed renewal of shareholders' mandate to purchase its own ordinary shares of up to 10% of the total number of issued shares in the Company**

"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 ("Bursa Securities") ("Listing Requirements") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company 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:

Resolution 9

(i) the aggregate number of issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and

(ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

("Proposed Share Buy-Back").

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

(a) the conclusion of the next Annual General Meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;

(b) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- (i) to cancel all or part of the Purchased Shares;
- (ii) to retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- (iii) to distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- (iv) to resell all or part of the treasury shares;
- (v) to transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- (vi) to transfer all or part of the treasury shares as purchase consideration;
- (vii) to sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
- (viii) to deal with the treasury shares in any other manner as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

## **11. ORDINARY RESOLUTION**

### **Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approval of the relevant governmental/regulatory authorities (if any), the Directors of the Company be and are hereby authorised to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions and for such purposes and to such persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued during the preceding 12 months does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued from Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company after the approval was given or at the expiry of the period within which the next Annual General Meeting 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."

Resolution 10

## **12. ORDINARY RESOLUTION**

### **Continuing in office as Independent Non-Executive Director**

"THAT authority be and is hereby given to Lee Weng Chong who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."

Resolution 11

## **13. ORDINARY RESOLUTION**

### **Continuing in office as Independent Non-Executive Director**

"THAT approval be and is hereby given for Datuk Abdul Hamid Bin Sawal who has served as an Independent Non-Executive Director of the Company since 23 May 2011 and will reach the nine-year term limit on 22 May 2020, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."

Resolution 12

#### 14. SPECIAL RESOLUTION

##### **Proposed Alteration of the existing Constitution by replacing with a new Constitution (“Proposed Alteration”)**

“THAT the existing Constitution of the Company be hereby altered by replacing with a new Constitution as set out in the Appendix A with effect from the date of passing this Special Resolution.

Special Resolution

THAT the Directors of the Company be hereby authorised to do all such acts and things and to take all such steps as they deem fit, necessary, expedient and/or appropriate in order to complete and give full effect to the Proposed Alteration with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities.”

15. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

#### NOTICE OF DIVIDEND PAYMENT

Notice is hereby given that a Single Tier Final Dividend of 0.35 sen per share for the financial year ended 31 December 2018, if approved, will be paid on 8 July 2019. The entitlement date for the dividend payment is 20 June 2019.

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

- (a) Shares transferred into the depositor’s Securities Account on or before 4.00 p.m. on 20 June 2019 in respect of ordinary transfers; and
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad

By order of the Board

**ZAIDAH BINTI MOHD SALLEH (MIA 3313)**

Company Secretary  
Shah Alam

30 April 2019

Notes:

- i) A member entitled to attend and vote is entitled to appoint up to 2 proxies to attend, speak and vote instead of him. A proxy may but need not be a member of the Company.
- ii) A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, can appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- iii) 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.
- iv) Where a member or authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- v) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- vi) The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or notorially certified copy of that power of authority shall be deposited at the Company’s registered office at Suite 5.02, MERCU PICORP, Lot 10, Jalan Astaka U8/84, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.
- vii) For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 12 June 2019. Only a Member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, vote and speak on his behalf.

## Explanatory Notes on Ordinary Business

1. Agenda item no. 1 is meant for discussion only as the provisions of Sections 248(2)(a) and 340(1)(a) of the Companies Act 2016 do not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.

2. Resolutions 2 and 3:

Zaidah Binti Mohd Salleh and Dato' Hajjah Rosnani Binti Ibarahim are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 27th Annual General Meeting. The Board has through the Nominating Committee, considered the assessment of the Directors and collectively agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their roles as Directors.

3. Resolution 4:

Shareholders' approval is sought under Resolution 4 to allow the Company to pay Directors' fees for the financial year ended 31 December 2018.

4. Resolution 5:

Shareholders' approval is sought under Resolution 5 to allow the Company to pay Directors' fees on a monthly basis (arrears) for the period from 1 January 2019 up to the date of the next Annual General Meeting to be held in 2020. The Directors' fees are based on the targeted Board size. In the event the proposed amount is insufficient, approval will be sought at the next Annual General Meeting for the shortfall.

5. Resolution 6:

The Directors' benefits are calculated based on the current Board size and the number of scheduled Board and Committee meetings for the period from 20 June 2019 up to the date of the next Annual General Meeting. In the event the proposed amount is insufficient (due to enlarged Board size or more meetings), approval will be sought at the next Annual General Meeting for the shortfall.

6. Resolution 7:

The Board has through the Audit Committee, considered the re-appointment of Messrs Ernst & Young as Auditors of the Company. The factors considered by the Audit Committee in making the recommendation to the Board to table their re-appointment at the 27th Annual General Meeting is stated in the Corporate Governance Overview Statement of the Annual Report 2018.

## Explanatory Notes on Special Business

1. Resolution 8

This proposed Resolution, if passed, will enable the Company and/or its subsidiaries renew its existing mandate to enter into recurrent transactions involving the interest of Related Parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

For further information on the recurrent related party transactions, please refer to the Circular to Shareholders dated 30 April 2019 enclosed together with the Company's Annual Report 2018.

2. Resolution 9

The proposed Resolution is intended to allow the Company to purchase its own shares up to 10% of the total number of issued shares of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Please refer to the Statement on Share Buy-Back dated 30 April 2019 enclosed together with the Company's Annual Report 2018 for further information.

3. Resolution 10

This proposed Resolution, if passed, will empower the Directors to allot up to a maximum of 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

This proposed Resolution is a renewal of the previous year's mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time. The purpose of this general mandate is for possible fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 13 June 2018 and the mandate will lapse at the conclusion of the 27th Annual General Meeting.

4. Resolution 11

The Board has assessed the independence of Mr. Lee Weng Chong, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommended that he continues to act as an Independent Non-Executive Director of the Company based on the justifications in the Corporate Governance Overview Statement of the Annual Report 2018.

5. Resolution 12

The Board has assessed the independence of Datuk Abdul Hamid Bin Sawal, who has served as an Independent Non-Executive Director of the Company since 23 May 2011 and will reach the nine-year term limit on 22 May 2020, and recommended that he continues to act as an Independent Non-Executive Director of the Company based on the justifications in the Corporate Governance Overview Statement of the Annual Report 2018.

6. Special Resolution

This proposed Special Resolution, if passed, will enable the Company to alter its existing Constitution by replacing with a new Constitution which is drafted in accordance with the relevant provisions of the Companies Act 2016, relevant amendments of Chapter 7 and other Chapters of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other provisions of laws and regulations that are applicable to the Company.

The Appendix A on the proposed new Constitution of the Company, which is circulated together with the Notice of 27th Annual General Meeting dated 30 April 2019, shall take effect once the proposed Special Resolution is passed by a majority of not less than seventy-five per centum (75%) of members are entitled to vote and do vote in person or by proxy at the 27th Annual General Meeting.

## **STATEMENT ACCOMPANYING NOTICE OF 27TH ANNUAL GENERAL MEETING**

### Directors standing for election

As at date of this notice, there are no individuals who are standing for election as Directors at the 27th Annual General Meeting.

### General mandate for issue of securities

Please refer to the Explanatory Notes on Special Business for Resolution 10.