



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 43rd Annual General Meeting ("AGM") of Zelan Berhad will be held at Le Quadri Hotel, Block E (Grand Ballroom), South Wing, No. 1, Jalan Menara Gading 1, UCSI Heights, Taman Connaught, 56000 Cheras, Kuala Lumpur on Tuesday, 11 June 2019 at 2.00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY BUSINESS

1. "THAT 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 be and are hereby received." **Please refer to Note A**
2. "THAT Dato' Anwar bin Haji @ Aji, who retires in accordance with Article 78 of the Company's Constitution, be and is hereby re-elected a Director of the Company." **Resolution 1**
3. "THAT Encik Suhaimi bin Halim, who retires in accordance with Article 78 of the Company's Constitution, be and is hereby re-elected a Director of the Company." **Resolution 2**
4. "THAT the Directors' fees for the financial year ending 31 December 2019 amounting to RM361,000.00, be and is hereby approved." **Resolution 3**
5. "THAT the payment of Directors Remuneration (excluding directors' fees and Board committee fees) at the capping amount of RM400,000.00 to the Non-Executive Directors from 12 June 2019 until the conclusion of the next AGM of the Company ("Relevant Period") be and is hereby approved." **Resolution 4**
6. "THAT Messrs. Afrizan Tarmili Khairul Azhar (AFTAAS), having consented to act, be and are hereby appointed as Auditors of the Company in place of the outgoing Auditors, Messrs. PricewaterhouseCoopers, and to hold office until the conclusion of the next Annual General Meeting of the Company, at a remuneration to be determined by the Board." **Resolution 5**

SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolution:

7. PROPOSED CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS

- (i) "THAT authority be and is hereby given to Dato' Anwar bin Haji @ Aji 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 and to hold office until the conclusion of the next AGM." **Resolution 6**
- (ii) "THAT authority be and is hereby given to Datuk Ooi Teik Huat 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 and to hold office until the conclusion of the next AGM." **Resolution 7**

8. AUTHORITY TO ALLOT AND ISSUE SHARES

"THAT subject always to the Companies Act, 2016 ("Act"), the Constitution of the Company and the approvals of the relevant government/regulatory authorities, the Board be and are hereby authorised pursuant to Section 75 and 76 of the Act, to issue and allot shares of the Company at any time until the conclusion of the next AGM of the Company upon such terms and conditions and for such purposes as the Board may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10.0%) of the issued and paid-up share capital of the Company for the time being AND THAT the Board is also empowered to obtain the approval of Bursa Malaysia Securities Berhad and any other relevant approvals as may be necessary for the listing of and quotation for the additional shares so issued."

9. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE WITH MMC CORPORATION BERHAD AND ITS SUBSIDIARIES, TRADEWINDS CORPORATION BERHAD AND ITS SUBSIDIARIES AND DRB-HICOM BERHAD AND ITS SUBSIDIARIES ("PROPOSED SHAREHOLDERS' MANDATE")

"THAT approval be and is hereby given for the Company and/or its subsidiaries ("Group") to enter into the recurrent transactions of revenue or trading nature with MMC Corporation Berhad and its subsidiaries, Tradewinds Corporation Berhad and its subsidiaries and DRB-HICOM Berhad and its subsidiaries, as set out in Section 2, Part A of the Circular to Shareholders dated 30 April 2019 which are subject to the renewal and obtaining the shareholders' mandate, provided that such transactions are necessary for the day-to-day operations and are carried out in the ordinary course of business and at arms' length basis on normal commercial terms, which are consistent with the Group's normal business practices and policies, and on terms not more favourable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders,

AND THAT such approval shall be in force until:

- (i) the conclusion of the next AGM of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at such AGM;
- (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier AND THAT the Directors and/or any of them be and are hereby authorized to do all such acts and things (including, without limitation, to execute all such documents) in the interest of the Company to give full effect to the aforesaid shareholders' mandate and any transaction contemplated under this Ordinary Resolution,

AND THAT in making the appropriate disclosure of the aggregate value of recurrent transactions conducted pursuant to the shareholders' mandate in the Company's annual report, the Company must provide a breakdown of the aggregate value of the recurrent transactions made during the financial period, amongst others, based on the following information:

- (i) the type of the recurrent transactions entered into; and
- (ii) the names of the related parties involved in each type of the recurrent transaction made and their relationship with the Company."

To consider and if thought fit, to pass the following Special Resolution:

10. PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY

"THAT approval be and is hereby given to revoke the existing Memorandum and Articles of Association of the Company and in place thereof, the proposed new Constitution of the Company as set out in the Appendix III to the shareholders dated 30 April 2019 accompanying the Company's Annual Report 2018 for the financial year ended 31 December 2018 be and is hereby adopted as the new Constitution of the Company with immediate effect AND THAT the Directors of the Company be and are hereby authorized to assent to any modification, variation and/or amendment 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."

BY ORDER OF THE BOARD

NUR HALIZA BINTI MAT PIAH
NOOR RANIZ BIN MAT NOR
Company Secretaries

30 April 2019
Cheras, Kuala Lumpur

Notes:

1. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. If the proxy is not a member of the Company, he need not be an advocate, an approved company auditor or a person approved by the Companies Commission of Malaysia and there shall be no restriction as to qualification of the proxy.
2. A member shall be entitled to appoint up to two (2) proxies to vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. In case of a corporation, the proxy form should be under its common seal or under the hand of an officer or attorney duly authorized on its behalf. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
4. In the case of joint holders, the signature of any one of them will suffice.
5. Where a member of the Company is an exempt authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991 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 authorized nominee may appoint in respect of each omnibus account it holds.
6. Unless voting instructions are indicated in the spaces provided in the proxy form, the proxy may vote as he/she thinks fit.
7. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority must be deposited with the Registrar of Office, Boardroom Share Registrars Sdn Bhd, at Level 6, Symphony House, Pusat Dagangan D1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor not less than twenty four (24) hours before the time appointed for the meeting or any adjournment thereof.
8. Registration of members/proxies attending the meeting will commence at 12.00 noon on the day of the meeting and shall remain open until such time as may be determined by the Chairman of the Meeting. Members/proxies are required to produce identification documents for registration.
9. Only members whose name appears on the Record of Depositors as at 3 June 2019 shall be entitled to attend the 43rd AGM or appoint a proxy (ies) to attend and/or vote on their behalf.
10. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 43rd AGM will be put to vote by poll.

EXPLANATORY NOTES ON ORDINARY BUSINESS

Note A

This agenda item is meant for discussion only as per the provision of Section 340(1)(a) of the Act, the Audited Financial Statements do not require the formal approval of shareholders, and hence, the matter will not be put forward for voting.

Resolution 3 – Payment of Directors' Fees for financial year ending 31 December 2019

With the enforcement of Section 230(1) of the Act with effect from 31 January 2017, the listed company is required to table, amongst others, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries for the shareholders' approval at a general meeting.

The breakdown of the Directors' fees for financial year ending 31 December 2019 is as follows:

Membership	Board of Directors (RM)	Audit Committee (RM)	Nomination and Remuneration Committee (RM)
Chairman	75,000.00	30,000.00	24,000.00
Member	40,000.00	20,000.00	16,000.00

The total amount of Directors' fees payable to the Non-Executive Directors ("NEDs") is estimated to be up to RM361,000.00 for the period from 1 January 2019 to 31 December 2019.

Resolution 4 – Payment of Directors' remuneration and benefits

The total amount of remuneration and benefits payable to the Directors is estimated to be up to RM400,000.00 for the period from 12 June 2019 until the conclusion of next AGM of the Company.

Details of the estimated Directors' remuneration and benefits (excluding Directors' fees and Board committee fees) for NEDs are set out below:

Directors	Meeting Allowances for Board and Board Committees (RM)	Other Allowances (RM)	Benefit-in-Kind (RM)	Total (RM)
Dato' Anwar bin Haji @ Aji (Chairman)	17,000	291,000 ¹	12,416 ²	320,416
Datuk Ooi Teik Huat	17,000	-	-	17,000
Datuk Puteh Rukiah binti Abd Majid	14,000	-	-	14,000
Suhaimi bin Halim	13,000	-	-	13,000
Mohd Shukor bin Abdul Mumin	13,000	-	-	13,000
Total	74,000	291,000	12,416	377,416 (capped at 400,000)

The estimated directors' remunerations quoted above are based on those received by NEDs in the previous year.

Notes:

- ¹ Other Allowances to the NEDs comprising director's allowance, car allowance and entertainment allowance.
- ² Benefit in kind comprising company driver, petrol and mobile phone bill (based on average monthly usage for the Relevant Period).

Resolution 5 – Appointment of Messrs. Afrizan Tarmili Khairul Azhar (AFTAAS) as Auditors of the Company

The Company has on 15 April 2019, received a notice in writing from Messrs PricewaterhouseCoopers on their intention not to seek re-appointment during the 43rd AGM of the Company to be held on 11 June 2019. The resignation is on voluntary basis and the Board is not aware of any matters that need to be brought to the attention of the shareholders of the Company.

The Company has received a written consent to act as Auditors of the Company from Messrs Afrizan Tarmili Khairul Azhar (AFTAAS) pursuant to Section 264(5) of the Act.

Resolution 6 and 7 – Continuation in office as Independent Non-Executive Directors

The Malaysian Code on Corporate Governance 2017 ("Code") recommends that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, an independent director may continue to serve on the board subject to the director's re-designation as a non-independent director. However, the Code further provides that the shareholders may, in exceptional cases and subject to the assessment of the Nomination and Remuneration Committee, decide that an independent director can remain as an independent director after serving a cumulative term of nine (9) years. In such a situation, the Board must make a recommendation and provide strong justification to the shareholders in a general meeting.

In relation thereto, the Board, through the Nomination and Remuneration Committee, has assessed the independence of Dato' Anwar bin Haji @ Aji and Datuk Ooi Teik Huat, who have served as an Independent, Non-Executive Directors of the Company for a cumulative term of more than nine (9) years.

The Board recommends that Dato' Anwar bin Haji @ Aji and Datuk Ooi Teik Huat continues to act as an Independent, Non-Executive Directors of the Company based on the following justifications:

- (a) They fulfill the criteria of an Independent Director as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- (b) They are able to provide the Board with sound advice and guidance based on their immense experiences;
- (c) They have been a dedicated and committed Board members, having attended almost all the Committee and Board meetings since their appointment to the Board;
- (d) They being the longest serving Board member of the Company, possesses sound knowledge and understanding of the Company's business activities and history which enable them to participate actively and contribute during deliberations at the Committee and Board meetings; and
- (e) They exercise due care as an Independent Non-Executive Directors of the Company and carry out their professional and fiduciary duties in the interests of the Company and shareholders.

Resolution 8 – Authority to allot shares

The proposed Resolution 8, if passed, will give a renewed mandate to the Directors of the Company, from the date of the forthcoming AGM, to allot and issue ordinary shares in the Company up to and not exceeding in total ten per cent (10.0%) of the issued and paid-up capital of the Company pursuant to Section 75 of the Companies Act, 2016. This authority, unless revoked or verified at a general meeting will expire at the next AGM of the Company.

As at the date of the Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 31 May 2018 which will lapse at the conclusion of the forthcoming AGM.

The Board continues to consider opportunities to expand the Company's business. In the event of a new allotment of shares pursuant to such opportunity, the proceeds will be utilised as working capital of the Company. The passing of this resolution would avoid any delay and cost involved in convening a general meeting to specifically approve the issuance of the shares.

Resolution 9 – Proposed Shareholders' Mandate for Recurrent Related Party Transactions

For further information, please refer to Circular to Shareholders dated 30 April 2019.

Resolution 10 – Proposed Adoption of New Constitution of the Company

The proposed adoption is to be in line with the Companies Act 2016, the updated provisions of the Listing Requirements and other prevailing statutory and regulatory requirements.

The new Constitution shall take effect once the proposed Resolution 10 is approved by a majority of not less than 75% of such members who are entitled to attend and vote at the Company's 43rd AGM.

For further information, please refer to Circular to Shareholders dated 30 April 2019.