

**NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Sixteenth Annual General Meeting of the Company will be held at the Training Room, IQ Group Holdings Berhad, 149 Jalan Sultan Azlan Shah, Taman Perindustrian Bayan Lepas, Fasa 1 (FTZ), Bayan Lepas, 11900 Penang on Thursday, 29 August 2019 at 2.30 p.m.

**AGENDA**

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2019 together with the Reports of the Directors and Auditors thereon. **Please refer to Note 2**
- As Ordinary Business**
  2. To re-elect Mr Charlie Ong Chye Lee retiring under the provision of Article 98(1) of the Articles of Association of the Company, and who, being eligible, has offered himself for re-election. **Ordinary Resolution 1**
  3. To re-elect Dato' Yoon Chon Leong retiring under the provision of Article 98(1) of the Articles of Association of the Company, and who, being eligible, has offered himself for re-election. **Ordinary Resolution 2**
  4. To re-appoint Deloitte PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **Ordinary Resolution 3**
- As Special Business**

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

  5. To approve the payment of Directors' fees of RM414,000.00 for the financial year ending 31 March 2020. **Ordinary Resolution 4**
  6. To approve the payment of Directors' benefit in accordance with Section 230(1) of the Companies Act 2016 up to an amount of RM215,000.00 from 29 August 2019 until next AGM of the Company. **Ordinary Resolution 5**
  7. **Continuing in Office as an Independent Non-Executive Director**

"THAT authority be and is hereby given to Mr Charlie Ong Chye Lee 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 until the conclusion of the next Annual General Meeting of the Company."

**Ordinary Resolution 6**
  8. **Proposed Renewal of Share Buy-Back Authority**

"THAT subject to the provisions under the Companies Act, 2016 ("the Act"), rules and regulation and orders made pursuant to the Act, the Articles of Association of the Company (and the Constitution of the Company being adopted upon passing of the Special Resolution below), Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and the approvals of all relevant authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares in the Company ("IQGHB 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 shares purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company as at the point of purchase ("Proposed Renewal of Share Buy-Back Authority").

THAT the maximum amount of funds to be utilised for the purpose of the Proposed Renewal of Share Buy-Back Authority shall not exceed the Company's retained profits.

THAT authority be and is hereby given to the Directors of the Company to decide at their discretion as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities for the time being in force to deal with any IQGHB Shares so purchased by the Company in the following manner:-

    - (i) the IQGHB Shares so purchased could be cancelled; or
    - (ii) the IQGHB Shares so purchased could be retained as treasury shares for distribution as share dividends to the shareholders of the Company and/or resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be cancelled subsequently; or
    - (iii) combination of (i) and (ii) above; or
    - (iv) in accordance with the relevant prevailing statutory provisions and guidelines.

THAT the authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution until:-

    - (i) the conclusion of the next annual general meeting of the Company following the general meeting at which such resolution was passed, at which time the authority would lapse unless renewed by ordinary resolution, either unconditionally or conditionally; or
    - (ii) the passing of the date on which the next annual general meeting of the Company is required by law to be held; or
    - (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting; whichever occurs first.

And THAT the Directors of the Company be and are authorised to take such steps to give full effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and/or to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company."

**Ordinary Resolution 7**
  9. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"THAT subject always to the provisions of the Companies Act, 2016 ("the Act"), the Memorandum and Articles of Association of the Company (and the Constitution of the Company being adopted upon passing of the Special Resolution below), Bursa Malaysia Securities Berhad Main Market Listing Requirements or other regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions with the following corporations as set out in Section 2.4 of the Circular to Shareholders dated 31 July 2019 ("the Circular"), which are necessary for the day to day operations and are carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders as set out in the Circular ("Mandate"):-

    - (a) Interquartz Taiwan Ltd.
    - (b) IQ (America) Inc.

THAT the Directors be empowered to do all such acts and things considered necessary or expedient to give full effect to the Mandate with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be imposed by the relevant authorities.

THAT such Mandate shall commence upon passing this ordinary resolution and to be in force until:-

    - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the authority shall lapse unless the authority is renewed by a resolution passed at the meeting;
    - (b) the expiration of the period within which the next AGM after that date it is required to be held pursuant to Section 340(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
    - (c) revoked or varied by ordinary resolution of the shareholders of the Company at a general meeting; whichever is earlier.

And THAT the Directors of the Company be and are hereby authorised to complete and to 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 transactions contemplated and/or authorised by this ordinary resolution."

**Ordinary Resolution 8**
  10. **Proposed Alteration of the Existing Memorandum And Articles of Association by replacing with a New Constitution ("Proposed Alteration")**

"THAT the existing Memorandum and Articles of Association of the Company be hereby altered by replacing with a new Constitution attached hereto as Annexure A with effect from the date of passing this 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."

**Special Resolution**
  11. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

By Order of the Board

**CHEW SIEW CHENG** (MAICSA 7019191)  
**LIM CHOO TAN** (LS0008888)

Secretaries

Date: 31 July 2019

Penang

Notes: -

**1. Proxy**

- 1.1 A member of the Company entitled to attend and vote at a meeting shall be entitled to appoint not more than two (2) persons as his proxies to attend and vote. A proxy need not be a member. There shall be no restrictions as to the qualification of the proxy. If a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy appointed shall exercise all or any of his rights to attend, participate, speak and vote at a meeting of the Company.
- 1.2 Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- 1.3 Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.
- 1.4 An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- 1.5 Where a Member of the 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.
- 1.6 The instrument appointing the proxy shall be in writing, executed by or on behalf of the appointor. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
- 1.7 The instrument appointing a proxy must be deposited at the Registered Office of Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang at least 48 hours before the time for holding the Meeting or any adjournments thereof.
- 1.8 Only Members registered in the Record of Depositors as at 21 August 2019 shall be eligible to attend the meeting or appoint a proxy to attend and vote on his behalf.

**2. Audited Financial Statements for the financial year ended 31 March 2019**

This Agenda item is meant for discussion only as the provision of Section 248(2) and 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence is not put forward for voting.

**Explanatory Notes on Special Business**

Directors' Fees

This proposed Ordinary Resolution 4, if passed, will authorise the payment of Directors' fees amounting to RM414,000.00 for the financial year ending 31 March 2020.

Directors' Benefit

This proposed Ordinary Resolution 5, if passed, will authorise the payment of Directors' benefits amounting up to RM215,000.00 from 29 August 2019 until next AGM of the Company.

Continuing in Office as an Independent Non-Executive Director

The Nomination Committee with Mr Charlie Ong Chye Lee abstaining from deliberation of his own assessment, had assessed the independence of Mr Charlie Ong Chye Lee who has served on the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years. Mr Charlie Ong Chye Lee has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The length of his service does not interfere with Mr Charlie Ong Chye Lee's ability and exercise of independent judgement as an Independent Director.

Meanwhile, as recommended by the Malaysian Code on Corporate Governance 2017 ("MCCG 2017"), the Board will be seeking shareholders' approval through a two-tier voting process at the Sixteenth Annual General Meeting to retain Mr Charlie Ong Chye Lee as an Independent Non-Executive Director as his tenure has exceeded 12 years.

Proposed Renewal of Share Buy-Back Authority

This proposed Ordinary Resolution 7, if passed, will give the Directors of the Company the authority to purchase its own shares up to 10% of the total number of issued shares of the Company. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders' approval. This Authority will, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.

This proposed Ordinary Resolution 8, if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature. This Authority will, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders dated 31 July 2019 for more information.

Proposed Alteration

This proposed Special Resolution, if passed, will enable the Company to alter its existing Memorandum and Articles of Association 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.

For further information on the Proposed Alteration, please refer to the Annexure A enclosed together with this Notice of Annual General Meeting.