



## NOTICE OF THE THIRTY-EIGHTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Thirty-Eighth ("38th") Annual General Meeting ("AGM") of Southern Acids (M) Berhad ("the Company") will be held at Function Room 1, Setia City Convention Centre, No 1 Jalan Setia Dagang AG U13/AG, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia on Friday, 30 August 2019 at 11.00 a.m. for the following purposes:

## AGENDA

## ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 March 2019 together with the Reports of the Directors and Auditors thereon. (Note 5)
- To approve the payment of Single Tier Final Dividend of 5 sen per ordinary share in respect of the financial year ended 31 March 2019.
- To approve the payment of Directors' fees amounting to RM555,500 for the financial year ended 31 March 2019. (Note 6)
- To approve the following payment of Directors' Benefits payable up to an amount of RM125,000 for the period from 31 August 2019 until the next AGM of the Company to be held in 2020. (Note 7)
- To re-elect the following Directors who are retiring under Articles 95 and 96 of the Company's Constitution, and being eligible, have offered themselves for re-election: -
  - Tan Sri Datuk Seri Panglima Sulong Matjeraie
  - Mr. Teo Leng

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3

Ordinary Resolution 4

Ordinary Resolution 5

Ordinary Resolution 6

Ordinary Resolution 7

Ordinary Resolution 8

Ordinary Resolution 9

Ordinary Resolution 10

Ordinary Resolution 11

Ordinary Resolution 12

Ordinary Resolution 13

Ordinary Resolution 14

Ordinary Resolution 15

Ordinary Resolution 16

Ordinary Resolution 17

Ordinary Resolution 18

Ordinary Resolution 19

Ordinary Resolution 20

Ordinary Resolution 21

Ordinary Resolution 22

Ordinary Resolution 23

Ordinary Resolution 24

Ordinary Resolution 25

Ordinary Resolution 26

Ordinary Resolution 27

Ordinary Resolution 28

Ordinary Resolution 29

Ordinary Resolution 30

Ordinary Resolution 31

Ordinary Resolution 32

Ordinary Resolution 33

Ordinary Resolution 34

Ordinary Resolution 35

Ordinary Resolution 36

Ordinary Resolution 37

whichever is the earlier.

AND FURTHER THAT the Directors of the Company/ or any of them be and are/is (as the case may be) hereby authorised to complete and to do all acts and things (including executing such documents under the common seal in accordance with the provisions of the Constitution of the Company, as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate.

## 10. Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature (Note 12)

Ordinary Resolution 10

"That subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the proposed new shareholders' mandate for the Company and/or its subsidiaries to enter into the categories of recurrent related party transactions of a revenue or trading nature and with those Related Parties ("Proposed New Shareholders' Mandate") as specified in the Circular to Shareholders dated 31 July 2019 subject further to the following:

i. that the transactions are in the ordinary course of business and are on terms that are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company;

ii. that the transactions are made on an arm's length basis and on normal commercial terms; and

iii. that disclosure shall be made in the Annual Report of a breakdown of the aggregate value of all transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year, based on the following information: -

- the type of the Recurrent Related Party Transactions made; and
- the names of the Related Parties involved in each type of the Recurrent Related Party Transactions entered into and their relationships with the Company.

iv. that such approvals shall only continue to be in force until: -

- the conclusion of the next AGM of the Company following this AGM at which such mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed;
- the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("CA") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of CA); or
- revoked or varied by resolution passed by the shareholders in General Meeting,

whichever is the earlier.

AND FURTHER THAT the Directors of the Company/ or any of them be and are/is (as the case may be) hereby authorised to complete and to do all acts and things (including executing such documents under the common seal in accordance with the provisions of the Constitution of the Company, as may be required) as they may consider expedient or necessary to give effect to the Proposed New Shareholders' Mandate.

**FURTHER NOTICE IS HEREBY GIVEN THAT** for the purpose of determining a member who shall be entitled to attend the 38th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 58(A) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 23 August 2019. Only a depositor whose name appears on the Record of Depositors as at 23 August 2019 shall be entitled to attend the said meeting or appoint proxies to attend and vote on his/her behalf.

## NOTICE OF DIVIDEND ENTITLEMENT

**NOTICE IS ALSO HEREBY GIVEN THAT** subject to the shareholders' approval for the payment of Single Tier Final Dividend of 5 sen per ordinary share in respect of the financial year ended 31 March 2019 ("Dividend") under Ordinary Resolution 1 at the 38th AGM of the Company on 30 August 2019, the Dividend will be paid to the shareholders on 27 September 2019. The entitlement date for the Dividend shall be 6 September 2019.

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

- shares deposited into the Depositor's Securities Account before 12:30 p.m. on 4 September 2019 (in respect of shares which are exempted from Mandatory Deposit);
- shares transferred into the Depositor's Securities Account before 4:00 p.m. on 6 September 2019 (in respect of ordinary transfer); and
- shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

## By Order of the Board of Directors

Lim Kui Suang (MAICSA 0783327)  
Paul Ignatius Stanislaus (MACS 01330)  
Secretaries

Klang, Selangor Darul Ehsan  
Date: 31 July 2019

## Notes:

- A member entitled to attend and vote at this meeting is entitled to appoint at least one (1) proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak and vote at the meeting.
- The Proxy Form in the case of an individual shall be signed by the appointor or his/her attorney, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
- Where a member is an exempt authorised nominee ("EAN") 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 shall be no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at No 9, Jalan Bayu Tinggi 2A/K56, Taipan 2, Batu Unjur, 41200 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- Directors' Report, Audited Financial Statements and Auditors' Report

Agenda No 1 is meant for discussion only as under the provision of Section 340(1)(a) of the Companies Act 2016, formal approval by members is not required to be obtained. Hence, the matter will not be put forward for voting.

## 6. Directors' Fees

The Board of Directors proposed the increase in Directors' Fees for the financial year ended 31 March 2019, subject to approval from the shareholders at the 38th AGM, as follows:

- Chairman of the Board - from RM74,000 to RM99,000
- Chairman of the Audit Committee - from RM74,000 to RM99,000
- Board Member - from RM50,000 to RM66,000

## 7. Directors' Benefits Payable

The Directors' Benefits comprised the following:

Description of Benefits		
Meeting Allowance per Meeting based on attendance	(i) Board Chairman	- RM1,600
	(ii) Board Committee Chairman	- RM1,600
	(iii) Board member	- RM800 each
	(iv) Board Committee member	- RM800 each
Other benefits	Directors and Officers Liability Insurance, travelling allowance, medical and other claimable benefits	

The Ordinary Resolution 3, if approved, will authorise the payment of Directors' benefits of an amount up to RM125,000 to the Directors by the Company from 31 August 2019 up to the next AGM of the Company to be held in 2020. The estimated amount of RM125,000 is calculated based on the expected number of meetings for the Board and Board Committees and benefits for the period from 31 August 2019 up to the next AGM of the Company, tentatively scheduled to be held in August 2020.

## 8. Re-election of Directors

Article 95 of the Company's Constitution provided that at every Annual General Meeting of the Company, one-third (1/3) of the Directors for the time being, or if their number is not a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office. A retiring Director shall be eligible for re-election. Subject to Article 79(2), every Director including the Managing Director shall be subject to retirement at least once in every three (3) years.

Hence, the following Directors are to retire in accordance with Article 95 of the Constitution:-

- Tan Sri Datuk Seri Panglima Sulong Matjeraie
- Mr. Teo Leng
- Encik Mohd Hisham Harun

However, Encik Mohd Hisham Harun did not seek re-election, after having served on the Board of the Company for almost fourteen (14) years since his appointment as Director of the Company on 10 August 2005. Hence, he will retain office until the close of the 38th AGM, and retires in accordance with Article 95 of the Company's Constitution.

## 9. Retention of Independent Director

The Ordinary Resolution 7, if approved, will authorise the retention of Madam Leong So Seh as an Independent Non-Executive Director of the Company.

Madam Leong So Seh is currently the Independent Non-Executive Director of the Company. She had completed the 9-year tenure on 8 April 2018.

The Board has vide the Nomination & Remuneration Committee conducted an annual performance evaluation and assessment of Madam Leong So Seh and strongly recommend to the members of the Company to vote in favour of the resolution for Madam Leong So Seh to continue to act as an Independent Non-Executive Director on the following basis:-

- She has demonstrated and continues to be able to exercise independent judgement and to act in the best interest of the Company;
- She has also the necessary knowledge of the business and has proven commitment, experience and competency;
- She has participated and contributed actively during deliberations or discussions at Board meetings; and
- She has met the criteria for independence under the definition of an independent Director in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

## 10. Authority to issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016.

The proposed Ordinary Resolution 8, if approved, will give the Directors authority to issue and allot new ordinary shares up to an amount not exceeding 10% of the total number of issued shares of the Company for such purposes as the Directors consider would be in the best interest of the Company. This authority will commence from the date of this AGM and unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next AGM of the Company.

The approval is a renewed general mandate and is sought to provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares, for purposes of funding future investment project(s), working capital, acquisitions or such other applications as the Directors deem fit. This would avoid any delay and cost involved in convening a general meeting to approve such issue of shares.

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the last AGM of the Company held on 30 August 2018 and which lapse at the conclusion of the 38th AGM.

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

The proposed Ordinary Resolution 9, if passed, will authorise the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next AGM of the Company. Please refer to the Circular to Shareholders dated 31 July 2019, which is despatched together with the Company's Annual Report 2019, for more information.

## 12. Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature.

The proposed Ordinary Resolution 10, if passed, will authorise the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next AGM of the Company. Please refer to the Circular to Shareholders dated 31 July 2019, which is despatched together with the Company's Annual Report 2019, for more information.

## 13. Voting by poll

In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be voted by poll.