

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting ("AGM") of the Company will be held at the Seminar Hall of Seri Malaysia Melaka Hotel, Lebuh Ayer Keroh, 75450 Melaka Bandaraya Bersejarah on Tuesday, 29 October 2019 at 10:00 a.m. for the following purposes:-

AGENDA

- To receive the Audited Financial Statements for the financial year ended 31 May 2019 together with the Reports of the Directors and the Auditors thereon. **(Please refer to Note 6)**
- To approve the payment of a Single-Tier Final Dividend of 0.72 sen per ordinary share for the financial year ended 31 May 2019. **(Resolution 1)**
- To re-elect the following Directors who are retiring in accordance with Article 121 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-
(a) Mr. Pang Fok Seng; and
(b) Datuk Mohamad Saleh bin Mohd. Ghazali. **(Resolution 2)**
(Resolution 3)
- To re-appoint Messrs. BDO PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. **(Resolution 4)**
- To approve the payment of Directors' fees amounting to RM340,500.00 for the period from 30 October 2019 until the next AGM of the Company in year 2020. **(Resolution 5)**
- To approve the payment of Directors' benefits payable up to an amount of RM38,000.00 for the period from 30 October 2019 until the next AGM of the Company in year 2020. **(Resolution 6)**

As Special Business

To consider and if thought fit, with or without any modifications, to pass the following ORDINARY AND SPECIAL RESOLUTIONS:

- Ordinary Resolution**
Authority to Issue Shares pursuant to the Companies Act 2016 **(Resolution 7)**
"THAT subject always to the Companies Act 2016 ("the Act"), the Articles of Association/Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the capital of the Company, at any time, at such price, 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 10% of the total number of issued shares of the Company for the time being.
AND THAT 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 Securities; AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company."

- Ordinary Resolution**
Retention of Datuk Mohamad Saleh Bin Mohd. Ghazali as an Independent Director of the Company **(Resolution 8)**
"THAT subject to the passing of Resolution 3, Datuk Mohamad Saleh bin Mohd. Ghazali, who has served as an Independent Director for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Director of the Company in accordance with the Malaysian Code on Corporate Governance."

- Ordinary Resolution**
Retention of Chong Peng Khang as an Independent Director of the Company **(Resolution 9)**
"THAT Chong Peng Khang, who has served as an Independent Director for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Director of the Company in accordance with the Malaysian Code on Corporate Governance."

- Ordinary Resolution**
Proposed Renewal of Authority for Share Buy-Back **(Resolution 10)**
"THAT, subject to Section 127 of the Act, the Articles of Association/Constitution of the Company, Main Market Listing Requirements of Bursa Securities and all other applicable laws, rules and regulations for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that:-

- the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
- the maximum funds to be allocated by the Company for the purpose of purchasing its own 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 of the Company (where applicable) available at the time of the purchase.

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:-

- cancel all the shares so purchased; and/or
 - retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or
 - retain part thereof as treasury shares and cancel the remainder; and/or
- in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:-

- the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting; whichever occurs first.

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

- Special Resolution**
Proposed Adoption of a New Constitution of the Company ("Proposed Adoption") **(Resolution 11)**
"THAT approval be and is hereby given to revoke the existing Memorandum and Articles of Association of the Company in its entirety and in place thereof, the proposed new constitution of the Company as set out in Appendix A dispatched together with the Company's Annual Report 2019, be and is hereby adopted as the Constitution of the Company with immediate effect.
AND THAT the Directors of the Company be and are hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed Adoption with the full power to assent to any conditions, modification, and/or amendments as may be required by any relevant authorities to give effect to the Proposed Adoption."

- To transact any other business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a Single-Tier Final Dividend of 0.72 sen per ordinary share in respect of the financial year ended 31 May 2019 will be payable on 27 December 2019 to all persons who are registered in the Record of Depositors at the close of business on 6 December 2019, if approved by shareholders at the forthcoming Twelfth AGM on Tuesday, 29 October 2019.

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

- Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 6 December 2019 in respect of ordinary transfers; and
- Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 077689)

TAY SEOK YIN (MAICSA 7063410)

Company Secretaries

Melaka

27 September 2019

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 October 2019 ("General Meeting Record of Depositors") shall be eligible to attend, speak and vote at the Meeting.

2. The rights to attend and vote at the Meeting is entitled to appoint more than one (1) proxy to attend and vote in his stead. A proxy may but does not need to be a member of the Company. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy instead of the member at the Meeting. There shall be no restriction as to the qualifications of the proxy.

3. 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.

4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company or for multiple 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 a shareholder is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

5. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Registered Office of the Company at No. 60-1, Jalan Lagenda 5, Taman 1 Lagenda, 75400 Melaka not less than forty-eight (48) hours before the time for holding the Meeting or at any adjournment thereof. All resolutions set out in the Notice of the Meeting are to be voted by poll.

6. Audited Financial Statements for the financial year ended 31 May 2019.

The Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

7. Explanatory Notes to Ordinary and Special Business:-

(i) **Payment of Directors' fees and benefits**
Section 230(1) of the Act provides among others, that the 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.

At this respect, the Board wishes to seek shareholders' approval at the Twelfth AGM on the two (2) separate resolutions as below:-

- The proposed Resolution 5 on payment of Directors' fees RM340,500.00 for the period from 30 October 2019 until the next AGM of the Company in year 2020.
- The proposed Resolution 6 on payment of Directors' benefits payable up to an amount of RM38,000.00 for the period from 30 October 2019 until the next AGM of the Company in year 2020.

This resolution is to facilitate payment of Directors' fees and benefits on the current financial year basis. The Directors' benefits payable comprises allowances. In the event the Directors' fees and benefits proposed are insufficient due to the enlarged Board size, approval will be sought at the next AGM for additional fees and benefits to meet the shortfall.

(ii) **Authority to Issue Shares**

The proposed Resolution 7 is intended to renew the authority granted to the Directors of the Company at the Eleventh AGM of the Company held on 30 October 2018, to issue and allot shares from time to time to such persons in their absolute discretion without covering a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company for the time being (hereinafter referred to as the "General Mandate").

The General Mandate granted by the shareholders at the Eleventh AGM of the Company had not been utilised and hence no proceed was raised therefrom.

The renewal of the General Mandate will enable the Directors to take swift action for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.

(iii) **Proposed Retention of Independent Directors of the Company**

The Board through the Nomination Committee, after having assessed the independence of Datuk Mohamad Saleh Bin Mohd. Ghazali and Chong Peng Khang, regarded them to be independent based on the independence, the following justifications and the Board recommends that Datuk Mohamad Saleh Bin Mohd. Ghazali and Chong Peng Khang be retained as Independent Directors of the Company.

- They have met the independence guidelines as set out in Chapter 1 of Main Market Listing Requirements of Bursa Securities;
- They do not have any conflict of interest with the Company and have not been entering/are not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies;
- The Board is of the opinion that Datuk Mohamad Saleh Bin Mohd. Ghazali and Chong Peng Khang are important Independent Directors as they have served on the Board for many years with incumbent knowledge of the business operation of the Group and corporate history and have provided invaluable contributions to the Board in their role as Independent Directors.

(iv) **Proposed Renewal of Authority for Share Buy-Back**
The proposed Resolution 10, if approved, will renew the authority given to the Company to purchase its own shares up to 10% of the total number of issued ordinary shares of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Securities. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company.

The details of the proposal are set out in the Share Buy-Back Statement as set out in the Annual Report.

(v) **Proposed Adoption of a New Constitution of the Company**
The proposed Resolution 11 is undertaken primarily to streamline the existing Memorandum and Articles of Association ("M&A") of the Company with the Act, which was effective from 31 January 2017. The Proposed Adoption is also to align the existing M&A with the Main Market Listing Requirements issued by Bursa Securities on 29 November 2017, and to provide clarity to certain provision thereof and to render consistency throughout in order to facilitate and further enhance administrative efficiency.

The proposed new Constitution is set out in Appendix A circulated together with this Annual Report.