



## GADANG HOLDINGS BERHAD

(278114-K)  
(Incorporated in Malaysia)

### NOTICE OF 26TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Sixth (26th) Annual General Meeting (AGM) of Gadang Holdings Berhad (the Company) will be held at Ballroom 3, First Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 6 November 2019 at 10.00 a.m. to transact the following purposes:-

#### AGENDA

##### AS ORDINARY BUSINESS

- To receive the Audited Financial Statements of the Company for the financial year ended 31 May 2019 together with the Reports of the Directors and Auditors thereon.  
**Please refer to Explanatory Note A**
- To approve the payment of a first and final dividend of 1.2 sen per share in respect of the financial year ended 31 May 2019. (Ordinary Resolution 1)
- To approve the payment of Directors' fees of RM240,000 for the financial year ending 31 May 2020, to be made payable quarterly.  
**Please refer to Explanatory Note B** (Ordinary Resolution 2)
- To approve the payment of benefits payable to the Non-Executive Directors of the Company up to an amount of RM150,000 from 7 November 2019 until the next Annual General Meeting of the Company.  
**Please refer to Explanatory Note B** (Ordinary Resolution 3)
- To re-elect the following Directors who retire pursuant to Article 108 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-  
(a) Tan Sri Dato' Seri Dr. Mohamed Ismail Bin Merican  
(b) Mr Huang Shi Chin  
**Please refer to Explanatory Note C** (Ordinary Resolution 4)  
(Ordinary Resolution 5)
- To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 May 2020 and to authorize the Directors to fix their remuneration.  
**Please refer to Explanatory Note D** (Ordinary Resolution 6)

##### AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions:-

- Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**  
"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting 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 to be issued does not exceed 10% of the total issued 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 on Bursa Malaysia Securities Berhad, subject always to the approvals of the relevant regulatory authorities."  
**Please refer to Explanatory Note E** (Ordinary Resolution 7)
- Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature**  
"THAT, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries ("Gadang Group") to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.4 of the Circular to Shareholders dated 27 September 2019 ("Circular") with the related party listed in Section 2.3 of the Circular which transactions are necessary for the day-to-day operations, in the ordinary course of business of Gadang Group on terms which are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders;  
**THAT** such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:  
(a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless renewed by a resolution passed at that meeting;  
(b) 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 ("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 resolution passed by the shareholders of the Company in a general meeting;  
whichever is the earlier;  
**AND THAT**, the Directors and/or any of them be and are hereby authorized to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorized by this resolution."  
**Please refer to Explanatory Note F** (Ordinary Resolution 8)
- Continuing in office as Independent Director – Mr Boey Tak Kong**  
"THAT approval be and is hereby given to Mr Boey Tak Kong 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".  
**Please refer to Explanatory Note G** (Ordinary Resolution 9)
- Proposed adoption of new Constitution of the Company**  
"THAT the new Constitution as set out in Appendix I of the Circular to Shareholders dated 27 September 2019 be and is hereby approved and adopted as the Constitution of the Company in place of the existing Memorandum and Articles of Association of the Company ("Proposed New Constitution");  
**AND THAT** the Board of Directors and/or Secretary of the Company be and are hereby authorised to give full effect and to do all acts and things as may be required for or in connection with the Proposed New Constitution."  
**Please refer to Explanatory Note H** (Special Resolution)
- To transact any other business of which due notice shall have been given.

##### NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT the first and final dividend of 1.2 sen per share, for the financial year ended 31 May 2019, if approved by the shareholders at the 26th Annual General Meeting, will be paid on 6 December 2019 to Depositors whose names appear in the Record of Depositors at the close of business on 15 November 2019.

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

- shares transferred into the Depositor's Securities Account before 4.30 p.m. on 15 November 2019 in respect of transfers; and
- shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

##### BY ORDER OF THE BOARD

TAN SEOK CHUNG, SALLY  
Company Secretary

Kuala Lumpur  
27 September 2019

##### NOTES ON APPOINTMENT OF PROXY AND ENTITLEMENT OF ATTENDANCE

- Only depositors whose names appear in the Record of Depositors as at 30 October 2019 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this meeting.
- A member of the Company entitled to attend, speak and vote at this meeting, is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- The Articles provide that a member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting and the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- 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.
- The instrument appointing the proxy must be deposited at the Registered Office of the Company at Wisma Gadang, No 52, Jalan Tago 2, Off Jalan Persiaran Utama, Sri Damansara, 52200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice shall be put to vote by way of poll.

##### EXPLANATORY NOTES

- Audited Financial Statements for the financial year ended 31 May 2019**  
The audited financial statements are for discussion only under Agenda 1, as it does not require shareholders' approval under the provision of Section 340(1)(a) of the Companies Act, 2016. Hence, it will not be put for voting.
- Ordinary Resolutions 2 and 3 – Directors' Fees and Benefits**  
Pursuant to Section 230(1) of the Companies Act 2016, which came into force on 31 January 2017, the fees and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at the general meeting.  
The proposed Ordinary Resolution 2, if passed, will authorize the payment of Directors' fees to the Non-Executive Directors ("NEDs") of the Company on a quarterly basis from 1 June 2019 until 31 May 2020.  
The proposed Ordinary Resolution 3, if passed, will authorize the payment of Directors' benefits to the NEDs by the Company. The Directors' benefits of RM150,000 for the period from 7 November 2019 until the next AGM in year 2020 are derived from the estimated meeting attendance allowance based on the number of scheduled meetings and unscheduled meetings (when necessary) for Board, Board Committees and general meetings as well as the number of NEDs involved in the meetings and leave passage claims of the NEDs. The meeting attendance allowance for a NED is RM1,000 per meeting. The leave passage claim for a NED is RM15,000 per annum.
- Ordinary Resolutions 4 and 5 – Re-election of Directors**  
Article 108 of the Company's Articles of Association provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at each AGM of the Company. All the Directors shall retire from office once at least in every three (3) years but shall be eligible for re-election. Tan Sri Dato' Seri Dr. Mohamed Ismail Bin Merican and Mr Huang Shi Chin are standing for re-election as Directors and being eligible, have offered themselves for re-election.  
Based on the annual Board Evaluation, the Nomination & Remuneration Committee and the Board are of the view that the said Directors have discharged their roles and responsibilities to act in the best interest of the Company.  
The Board has therefore recommended the re-election of the said Directors.
- Ordinary Resolution 6 – Re-appointment of Auditors**  
The Board, through the Audit Committee, had reviewed and was satisfied with the performance and independence of Messrs Crowe Malaysia PLT during the financial year under review. The Board has therefore recommended the re-appointment of Messrs Crowe Malaysia PLT as external auditors of the Company for the financial year ending 31 May 2020.
- Ordinary Resolution 7 - Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016**  
The proposed Ordinary Resolution 7 is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Companies Act, 2016, obtained from the shareholders at the last Annual General Meeting. The resolution, if passed, will empower the Directors of the Company to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued does not exceed 10% of the issued shares of the Company for the time being. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.  
This mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisition(s) and thereby reducing administrative time and costs associated with the convening of additional shareholders meeting(s).  
Pursuant to the last mandate granted to the Directors at the 25th AGM held on 7 November 2018 which will lapse at the conclusion of this 26th AGM, the Company had placed out 66,172,000 new ordinary shares at an issue price of RM0.77 each, which raised a total proceeds of RM50,952,440 which shares were all listed on the Main Market of Bursa Malaysia Securities Berhad on 12 June 2019 ("Private Placement").  
The status of utilisation of proceeds from the Private Placement is as follows:-

Utilisation purpose	Proposed Utilisation RM	Actual utilisation as at 12/9/2019 RM	Balance unutilised RM	Expected time frame for utilisation from date of listing
Construction projects expenditure	37,069,440	-	37,069,440	Within 24 months
Repayment of bank borrowings	13,500,000	(9,000,000)	4,500,000	Within 3 months
Expenses relating to the Private Placement	383,000	(383,000)	-	Within 2 weeks
<b>Total</b>	<b>50,952,440</b>	<b>(9,383,000)</b>	<b>41,569,440</b>	

- Ordinary Resolution 8 - Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature**  
The proposed Ordinary Resolution 8 is in relation to the approval of Shareholders' Mandate for Recurrent Related Party Transactions and if passed, will empower the Company and its subsidiaries ("Gadang Group") to enter into recurrent related party transactions of a revenue or trading nature which are necessary for Gadang Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on terms which are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders of the Company.  
Details relating to Ordinary Resolution 8 are set out in the Circular to Shareholders dated 27 September 2019, which is despatched together with this Annual Report 2019.
- Ordinary Resolution 9 - Continuing in office as Independent Director**  
The Board has assessed the independence of Mr Boey Tak Kong who has served as Independent Non-Executive Director for a cumulative term of more than nine years, and recommended him to continue to act as Independent Non-Executive Director of the Company based on the following justifications:-
  - He has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and thus, he would be able to provide check and balance and bring an element of objectivity to the Board.
  - His broad-based experience in the financial management, internal audit and corporate affairs has been contributing to the Group in matters of internal control and risk management.
  - Having been with the Company for more than nine years, he is familiar with the Group's business goals and has devoted sufficient time to discharge his statutory duty and fiduciary responsibility.
  - He has exercised due care during his tenure as Independent Non-Executive Director of the Company and has carried out his professional duty in the interest of the Company and shareholders.The proposed Ordinary Resolution 9, if passed, will authorize Mr Boey Tak Kong to continue in office as an Independent Non-Executive Director of the Company.
- Special Resolution – Proposed adoption of new Constitution**  
The Special Resolution, if approved, will bring the Constitution of the Company to be in line with the Companies Act, 2016, and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, as set out in the Circular to Shareholders dated 27 September 2019.  
The Constitution will take effect once the Special Resolution has been passed by a majority of not less than 75% of such members who are entitled to vote in person or by proxy at the 26th AGM.

##### STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

[Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad]

- There are no individuals who are standing for election as Directors at the 26th Annual General Meeting of the Company.
- Details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016 are set out in Explanatory Note E of the Notice of this meeting.