



Teo Guan Lee Corporation Berhad

199301028971 (283710-A)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Sixth Annual General Meeting of the Company will be held at the Conference Room of Teo Guan Lee Corporation Berhad, Plot 28 Lorong Perusahaan Maju 4, Prai Industrial Estate, 13600 Prai, Pulau Pinang on Wednesday, 27 November 2019 at 12.00 noon for the following purposes:-

A G E N D A

- To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2019 together with the Reports of the Directors and Auditors thereon. **Please refer to Note A**
- As Ordinary Business**
 - To declare a final single tier dividend of 5 sen per share and special single tier dividend of 3.5 sen per share for the financial year ended 30 June 2019. **Ordinary Resolution 1**
 - To re-elect the following Directors retiring under the provision of Article 98 of the Articles of Association of the Company, and who, being eligible, have offered themselves for re-election:-
 - Mr Toh Choon Keat **Ordinary Resolution 2**
 - Mr Chin Yoong Mun **Ordinary Resolution 3**
 - To re-appoint Messrs Peter Chong & Co. as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **Ordinary Resolution 4**
- As Special Business**

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

 - To approve the payment of Directors' fees of RM45,000 for the financial year ending 30 June 2020. **Ordinary Resolution 5**
 - To approve the payment of Directors' benefit in accordance with Section 230(1) of the Companies Act 2016 up to an amount of RM15,000 from 28 November 2019 until the next AGM of the Company. **Ordinary Resolution 6**
 - Continuing in office as Independent Non-Executive Directors**
 - "THAT authority be and is hereby given to Dato' (Dr) Mustapha Bin Abdul Hamid 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." **Ordinary Resolution 7**
 - "THAT authority be and is hereby given to Mr Lee Kean Cheong 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." **Ordinary Resolution 8**
 - 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), the 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 corporations as set out in Section 2.2 of the Circular to Shareholders dated 29 October 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").

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:-

 - 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;
 - the expiration of the period within which the next AGM after that date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - 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 9**
 - Approval for issuance of new ordinary shares pursuant to Sections 75 and 76 of the Companies Act 2016**

"THAT subject to the Companies Act 2016, the Articles of Association of the Company (and the Constitution of the Company being adopted upon passing of the Special Resolution below) and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant governmental/regulatory authorities where such authority shall be necessary, the Board of Directors be and is hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot new shares in the Company from time to time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares, if any) of the Company for the time being and THAT the Board of Directors be and is also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities." **Ordinary Resolution 10**
 - Proposed Alteration of the Existing Memorandum And Articles of Association by replacing with a New Constitution ("Proposed Adoption of New Constitution")**

"THAT the existing Memorandum and Articles of Association of the Company be hereby altered by replacing with a new Constitution as set out in Part B of the Circular to Shareholders dated 29 October 2019 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 Adoption of New Constitution 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**
 - To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

Note A

This Agenda item is meant for discussion only as the provision of Sections 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.

Notes :

- A member of the Company entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him.
- A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositors) Act 1991, 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.
- 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.
- The instrument appointing a proxy or proxies 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.
- The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at Plot 28, Lorong Perusahaan Maju 4, Prai Industrial Estate, 13600 Prai, Pulau Pinang at least 48 hours before the time for holding the Meeting or any adjournments thereof.
- Only members registered in the Record of Depositors as at 20 November 2019 shall be eligible to attend the meeting or appoint a proxy to attend and vote on his behalf.

Explanatory Notes on Special Business

- Directors' Fees**
This proposed Ordinary Resolutions 5, if passed, will authorise the payment of Directors' fees amounting to RM45,000 for the financial year ending 30 June 2020.
- Directors' Benefit**
This proposed Ordinary Resolution 6, if passed, will authorise the payment of Directors' benefits up to an amount of RM15,000 from 28 November 2019 until the next Annual General Meeting of the Company.
- Continuing in office as Independent Non-Executive Directors**
The Nomination Committee had assessed the independence of Dato' (Dr) Mustapha Bin Abdul Hamid and Mr Lee Kean Cheong, who have served on the Board as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years and the Board has recommended that the approval of the shareholders be sought to re-appoint Dato' (Dr) Mustapha Bin Abdul Hamid and Mr Lee Kean Cheong as Independent Non-Executive Directors as both of them possess the following aptitudes necessary in discharging their roles and functions as Independent Non-Executive Directors of the Company:-
 - Has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements;
 - Have vast experience in Corporate, Marketing and Accounting industries which is very relevant and important for the Group;
 - Have carried out their fiduciary duties in the interest of the Company and minority shareholders; and
 - The Group always maintains a cordial and independent relationships with them.

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 Twenty-Sixth Annual General Meeting to retain Dato' (Dr) Mustapha Bin Abdul Hamid as an Independent Non-Executive Director as his tenure has exceeded 12 years.
- Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**
This proposed Ordinary Resolution 9, 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 29 October 2019 for more information.
- Approval for issuance of new ordinary shares**
This general mandate for issuance of shares ("the Mandate") was sought for in the preceding year and the Board did not carry out the Mandate since the last Annual General Meeting of the Company until the latest practicable date before the printing of this Annual Report. As the Mandate will expire on 27 November 2019, the Board is desirous of seeking a fresh mandate at the Twenty-Sixth Annual General Meeting. The Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares, for the purpose of funding further investment project(s), working capital and/or acquisition.
This proposed Ordinary Resolution 10, if passed, will empower the Directors of the Company to issue and allot shares in the Company up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares, if any) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This Authority will, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company.
- Proposed Adoption of New Constitution**
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 Adoption of New Constitution, please refer to the Part B of the Circular to Shareholders dated 29 October 2019.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

- Pursuant to Paragraph 8.27(2) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements**
There are no individuals who are standing for election as Directors (excluding Directors standing for re-election) at this forthcoming Annual General Meeting.
- General Mandate for Issues of Securities (Pursuant to Paragraph 6.03(3) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements)**
This general mandate for issue of shares ("the Mandate") was sought for in the preceding year and the Board did not carry out the Mandate since the last Annual General Meeting of the Company until the latest practicable date before the printing of this Annual Report. As the Mandate will expire on 27 November 2019, the Board is desirous of seeking a fresh mandate at the Twenty-Sixth Annual General Meeting.
The Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares, for the purpose of funding further investment project(s), working capital and/or acquisition.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN that a final single tier dividend of 5 sen per share and a special single tier dividend of 3.5 sen per share for the financial year ended 30 June 2019, if approved, will be paid on 18 December 2019 to Depositors registered in the Record of Depositors at the close of business on 4 December 2019.

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

- shares transferred into the Depositor's Securities Account before 4.00 p.m. on 4 December 2019 in respect of transfers;
- shares bought on the Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the rules of Bursa Securities.

By Order of the Board

LIM CHOO TAN (LS 0008888)
CHEW SIEW CHENG (MAICSA 7019191)
Secretaries

Date : 29 October 2019

Penang