



KOTRA INDUSTRIES BERHAD

(497632-P)

(Incorporated in Malaysia under the Companies Act 1965)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 20th Annual General Meeting of **KOTRA INDUSTRIES BERHAD** ("Company") will be held at the Auditorium Hall, Kotra Pharma Technology Centre, No. 2, Jalan TTC 12, Cheng Industrial Estate, 75250 Melaka on Thursday, 28 November 2019 at 10:30 a.m. for the following purposes:-

AGENDA

- To receive the Audited Financial Statements for the financial year ended 30 June 2019 together with the Reports of the Directors and the Auditors thereon. (Please refer to Note 6)
- To approve the payment of a final single-tier dividend of 4.4 sen per ordinary share for the financial year ended 30 June 2019. (Ordinary Resolution 1)
- To approve the payment of Directors' fees for an amount up to RM425,000.00 and Directors' benefits for an amount up to RM25,000.00 payable to the Directors from 29 November 2019 up to the date of the 21st AGM in 2020. (Ordinary Resolution 2)
- To re-elect the following Directors, who are retiring pursuant to Article 97(1) of the Company's Articles of Association, being eligible, have offered themselves for re-election:-
 - Datuk Piong Teck Yen (Ordinary Resolution 3)
 - Datuk Jamaludin bin Nasir (Ordinary Resolution 4)

- To re-elect Piong Chee Kien, who is retiring pursuant to Article 104 of the Company's Articles of Association, being eligible, have offered himself for re-election. (Ordinary Resolution 5)
- To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. (Ordinary Resolution 6)

AS SPECIAL BUSINESS

To consider and if thought fit, with or without any modification, to pass the following Ordinary and Special Resolutions:

- Ordinary Resolution**
Authority to Issue Shares pursuant to the Companies Act 2016 (Ordinary Resolution 7)
"THAT subject always to the Companies Act 2016, the Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of any other relevant governmental and/or regulatory authorities, where such approval is required, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the Company, at any time, at such price, to such persons and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion, deem fit provided always 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 also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; 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 Annual General Meeting of the Company."

- Ordinary Resolution**
Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate") (Ordinary Resolution 8)

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue and trading nature with the Related Parties as specified in Section 2.3.2(a) of the Circular to Shareholders dated 30 October 2019, which are necessary for the day-to-day operations of the Company and/or its subsidiaries ("Group"), to be entered by the Group in the ordinary course of business and are on terms which are not more favourable to the Related Parties with which such recurrent transactions to be entered into than those generally available to the public and are not detrimental to the minority shareholders.

THAT the authority for the Proposed Shareholders' Mandate shall continue to be in force until:-

- the conclusion of the next Annual General Meeting of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the next Annual General Meeting;
- the expiration of the period within which the next Annual General Meeting is to be held pursuant to Section 340(2) of the Companies Act 2016 but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016; or
- revoked or varied by resolution passed by the shareholders in a general meeting.

whichever is earlier.

AND THAT the Directors of the Company be authorised to complete and do such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give full effect to the Proposed Shareholders' Mandate."

- Special Resolution**
Proposed Adoption of a New Constitution of the Company ("Proposed Adoption") (Special Resolution)
"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 I despatched together with the Company's Annual Report 2019, be and is hereby adopted as the Constitution of the Company;
AND THAT the Directors of the Company be and are hereby authorised to assent to any modifications, variations, and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

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

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a final single-tier dividend of 4.4 sen per ordinary share in respect of the financial year ended 30 June 2019, if approved by the shareholders at the 20th Annual General Meeting of the Company, will be paid on 13 December 2019 to depositors who are registered in the Record of Depositors at the close of business on 3 December 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 3 December 2019 in respect of ordinary transfers; and
- shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 077689)

TAY SEOK YIN (MAICSA 7063410)

Company Secretaries

Melaka

30 October 2019

Notes:

Proxy

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 November 2019 ("General Meeting Record of Depositors") shall be eligible to attend, speak and vote at the Meeting.
- A member entitled 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 to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualifications of the proxy.
- 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.
- 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 for multiple beneficial owners in one 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.
- 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 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.

- Audited Financial Statements for the financial year ended 30 June 2019**
Item 1 of the Agenda 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.

Explanatory Notes to Ordinary and Special Business:

- Payment of Directors' fees and benefits**
Section 230(1) of the Act provides amongst 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.
In this respect, the Board wishes to seek shareholders' approval at the 20th Annual General Meeting on the proposed Ordinary Resolution 2 on payment of Directors' fees up to an amount of RM425,000.00 and Directors' benefits up to an amount of RM25,000.00 for the period from 29 November 2019 up to the date of the 21st AGM in 2020. The proposed Directors' benefits payable comprises the meeting allowance. The estimated amount of Directors' benefits payable is based on the size of the Board and Board Committees and the number of scheduled Board and Board Committee meetings for the period commencing from 29 November 2019 up to the date of the 21st Annual General Meeting in 2020.
- Authority to Issue Shares pursuant to the Act**
The proposed Ordinary Resolution 7 is intended to renew the authority granted to the Directors of the Company at the 19th Annual General Meeting of the Company held on 22 November 2018 to issue and allot shares at any time to such persons in their absolute discretion without convening 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 19th Annual General Meeting had not been utilised and hence no proceed was raised therefrom.
The new 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.
- Proposed Shareholders' Mandate**
The proposed Ordinary Resolution 8 is intended to enable the Company and its affiliated companies to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Company's day-to-day operations to facilitate transactions in the normal course of business of the Company with the specified classes of related parties, provided that they are carried out on arm's length basis and on normal commercial terms and are not prejudicial to the shareholders on terms not more favorable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.
Please refer to the Circular to Shareholders dated 30 October 2019 for further information.
- Proposed Adoption of a New Constitution of the Company**
The proposed Special Resolution is undertaken primarily to streamline the existing Memorandum and Articles of Association ("M&A") of the Company with the Companies Act 2016, which was effective from 31 January 2017. The Proposed Adoption is also to align the existing M&A with the amendments to the Listing Requirements issued by Bursa Malaysia Securities Berhad 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.
In view of the substantial amendments to be made to the existing M&A, the Board proposed that the existing M&A be revoked in its entirety and by the replacement thereof with new Constitution. Please refer to the new Constitution set out in Appendix I despatched together with the Company's Annual Report 2019 for detailed information.