

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting of GUAN CHONG BERHAD ("GCB" or "the Company") will be held at Ruby 2, Level 8, Holiday Villa Johor Bahru City Centre, No. 260, Jalan Dato' Sulaiman, Taman Abad, 80250 Johor Bahru, Johor on Friday, 26 June 2020 at 11.00 a.m. for the following purposes:

AGENDA

As Ordinary Business

- To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Directors' and Auditors' Reports thereon.
- To approve the payment of shortfall of Directors' fees and allowances of RM28,700 for the financial year ended 31 December 2019.
- To approve the payment of Directors' fees and allowances up to RM800,000 for the financial year ending 31 December 2020 payable monthly in arrears after each month of completed service of the Directors during the subject financial year.
- To declare a final single tier dividend of 1.0 sen per share in respect of the financial year ended 31 December 2019.
- To re-elect the following Directors who retire in accordance with Regulation 91 of the Company's Constitution:
 - Tay Hoe Lian
 - YBhg Dato Dr. Mohamad Musa Bin Md Jamil
- To re-appoint Messrs BDO PLT as Auditors of the Company and to authorize the Directors to fix their remuneration.

As Special Business

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

7. Authority to Directors to allot and issue shares pursuant to Section 75 of the Companies Act 2016

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company and the approvals of Bursa Malaysia Securities Berhad and other relevant governmental or regulatory bodies, where such approvals are necessary, the Directors be hereby empowered, pursuant to Section 75 of the Act, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

8. Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("RRPT")

"THAT pursuant to paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be hereby given for the renewal of shareholders' mandate for the GCB Group to enter into and to give effect to specified RRPT and with the related parties as stated in Section 4.3 of the Circular to Shareholders dated 28 May 2020, which are necessary for its day-to-day operations, to be entered into by the GCB Group on the basis that these transactions are or to be entered into on terms which are not more favorable to the Related Parties involved than generally available to the public and are not detrimental to the minority shareholders of the Company" ("Proposed Shareholders' Mandate");

THAT the Proposed Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Shareholders' Mandate shall only continue to be in force until:

- the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which the Proposed Shareholders' Mandate has been passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- the expiration of the period within which the next AGM after the date it 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
- revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier;

AND THAT the Directors of the Company and/or any of them be hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed Shareholders' Mandate."

9. Proposed renewal of authority for the Company to purchase its own ordinary shares up to ten percent (10%) of its issued share capital

"THAT, subject to the Companies Act 2016 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, the Company be hereby given full authority, to seek shareholders' approval for the renewal of authority for the Company to purchase such amount of ordinary shares in the Company ("Shares") through Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that:

- the aggregate number of Shares so purchased and/or held pursuant to this ordinary resolution ("Purchased Shares") does not exceed ten percent (10%) of the total issued share capital of the Company; and
- the maximum amount of funds to be allocated for the Purchased Shares shall not exceed the aggregate of the retained profits of the Company;

THAT the Directors be hereby authorised to decide at their discretion either to retain the Purchased Shares as treasury shares (as defined in Section 127 of the Act) and/or to cancel the Purchased Shares and/or to retain the Purchased Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or cancelled subsequently and/or to retain part of the Purchased Shares as treasury shares and/or cancel the remainder and to deal with the Purchased Shares in such other manner as may be permitted by the Act, rules, regulations, guidelines, requirements and/or orders of Bursa Securities and any other relevant authorities for the time being in force;

AND THAT such approval and authorisation shall only continue to be in force until:

- the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by 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 after that date is required by law to be held; or
- revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;

AND FURTHER THAT the Directors of the Company be authorised to do all such acts and things (including, without limitation executing all such documents as may be required) as they may consider expedient or necessary to give full effect to this mandate."

10. Proposed retention of YBhg Datuk Tay Puay Chuan as Independent Director

THAT approval be hereby given to YBhg Datuk Tay Puay Chuan who has served as Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years to continue to act as Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance.

11. Proposed retention of Tan Ah Lai as Independent Director

THAT approval be hereby given to Tan Ah Lai who has served as Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years to continue to act as Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance.

12. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016.

NOTICE OF ENTITLEMENT DATE AND DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders at the Sixteenth Annual General Meeting, the proposed final single tier dividend of 1.0 sen per share in respect of the financial year ended 31 December 2019, will be paid on 10 July 2020 to depositors registered in the Record of Depositors of the Company at the close of business on 12 June 2020.

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

- Shares transferred into the Depositor's Securities Account before 5.00 p.m. on 12 June 2020 in respect of ordinary transfers; or
- Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

By order of the Board,

TAN HUI KHIM (LS 0009936)

NG MEI WAN (MIA 28862)

Company Secretaries

Muar, Johor

28 May 2020

Notes:

- Only depositors whose names appear in the Record of Depositors as at 19 June 2020 shall be regarded as members and be entitled to attend, speak and vote at the Meeting.
- A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company.
- Where a member of the Company is an Exempt Authorised Nominee 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 member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. If the appointor is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised. In the event the member(s) duly executes the proxy form but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, provided always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).
- To be valid, the proxy form duly completed must be deposited at the registered office of the Company situated at No. 7 (1st Floor) Jalan Pesta 1/1, Taman Tun Dr. Ismail 1, Jalan Bakri 84000 Muar, Johor not less than twenty-four (24) hours before the time for holding the meeting as Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires all resolutions set out in the Notice of Sixteenth Annual General Meeting to be put to vote by poll.

Explanatory Notes:

6. **Item 1 of the Agenda**
This Agenda item is meant for discussion only as the provision of Section 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.

7. **Item 3 of the Agenda – Ordinary Resolution 2**
Approval of Directors' fees and allowances for the financial year ending 31 December 2020
Directors' fees and allowances approved for the financial year ended 31 December 2019 was RM700,000. The Directors' fees and allowances proposed for the financial year ending 31 December 2020 are calculated based on the number of scheduled Board and Committee Meetings for year 2020 and assuming that all Non-Executive Directors will hold office until the conclusion of the next annual general meeting.

This resolution is to facilitate payment of Directors' fees and allowances on current financial year basis. In the event the Directors' fees and allowances proposed are insufficient (e.g. due to more meetings), approval will be sought at the next annual general meeting for additional fees and allowances to meet the shortfall.

8. Item 7 of the Agenda – Ordinary Resolution 7

Authority to Directors to allot and issue shares pursuant to Section 75 of the Companies Act 2016

- The proposed Ordinary Resolution no. 7, if passed, will empower the Directors of the Company, from the date of the forthcoming Annual General Meeting ("AGM") to allot and issue shares in the Company up to an amount not exceeding ten percent (10%) of the issued share capital of the Company for the time being for such purposes as they may deem fit and in the interest of the Company. This authority, unless revoked or varied at a general meeting will expire at the conclusion of the next AGM of the Company.
- The mandate now sought is a renewal from the previous mandate obtained at the last AGM held on 28 May 2019 which will expire at the conclusion of the forthcoming AGM.
- Pursuant to the previous mandate, the Company had issued and listed a total of 24,008,000 ordinary shares representing less than 10% of the issued share capital of the Company on Bursa Malaysia Securities Berhad via private placement exercise which was completed on 03 October 2019. The proceeds thereof were fully utilised in the following manner:

Purpose	Proposed Utilisation (RM'000)
Working Capital and/or future business projects/investment	91,186
Estimated expenses for the Proposed Private Placement of Shares	1,245

- The authority 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 acquisitions.

9. Item 8 of the Agenda – Ordinary Resolution 8

Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("RRPT") ("Proposed Shareholders' Mandate")

The proposed Ordinary Resolution no. 8, if passed, will approve RRPT which are necessary for the Group's day-to-day operations to be entered into by the Company and its subsidiaries with the respective related parties from the forthcoming Annual General Meeting ("AGM") to the next AGM; subject to the condition that the transactions are entered into on terms which are not more favorable to the related parties involved than generally available to the public and are not detrimental to the minority shareholders of the Company. Further details on the Proposed Shareholders' Mandate are provided in the Circular to Shareholders dated 28 May 2020.

10. Item 9 of the Agenda – Ordinary Resolution 9

Proposed renewal of authority for the Company to purchase its own ordinary shares up to ten percent (10%) of its issued share capital ("Proposed Shares Buy-Back Authority")
The proposed Ordinary Resolution no. 9, if passed, will empower the Directors to purchase shares in the Company up to an amount not exceeding ten percent (10%) of the issued share capital of the Company as they consider would be in the interest of the Company. Further details on the Proposed Shares Buy-Back Authority are provided in the Circular to Shareholders dated 28 May 2020.

11. Items 10 and 11 of the Agenda – Ordinary Resolutions 10 and 11

Proposed Retention of YBhg Datuk Tay Puay Chuan and Tan Ah Lai as Independent Directors
The Board has assessed the independence of the Directors, YBhg Datuk Tay Puay Chuan and Tan Ah Lai who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than twelve (12) years, and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:

- They fulfill the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, they will be able to function as check and balance, provide a broader view and bring an element of objectivity to the Board;
- During their tenure in office, they have not developed, established or maintained any significant relationship which would impair their independence as Independent Directors with the Executive Directors and major shareholders other than normal engagements and interactions on a professional level consistent and expected of them to carry out their duties as Independent Non-Executive Directors and Chairman or member of the Board's Committees;
- During their tenure in office, they have never transacted or entered into any transactions with, nor provided any services to the Company and its subsidiaries, within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of Listing Requirements;
- They are currently not sitting on the board of any other public and/or private companies having the same nature of business as that of the Company and its subsidiaries;
- During their tenure in office as Independent Non-Executive Directors in the Company, they have not been offered or granted any options by the Company. Other than Director's fees and allowances paid which have been an industry norm and within acceptable market rates and duly disclosed in this Annual Report, no other incentives or benefits of whatsoever nature had been paid to them by the Company;
- Their vast experience and legal and accounting background enable them to provide the Board with a diverse set of experience, expertise and independent judgment; and
- They have performed their duties diligently and in the best interest of the Company and provide a broader view, independent and balanced assessment of proposals from the management.

12. ANNUAL REPORT

The Annual Report for the financial year ended 31 December 2019 is in CD-ROM format. Printed copy of the Annual Report shall be provided to the shareholders upon request soonest possible from the date of receipt of the written request. The Annual Report can also be downloaded at the Company's corporate website, www.gbcocooa.com.

Shareholders who wish to receive the printed Annual Report and/or require assistance in viewing the CD-ROM may fax to Boardroom Share Registrars Sdn Bhd [199601006647 (378993-D)] at fax no. 03-78904670 or email your request to Shamsul.Kamal@boardroomlimited.com.