

Notice of Annual General Meeting



SAMCHEM HOLDINGS BERHAD
(Company Number 797567-U)

NOTICE IS HEREBY GIVEN THAT the Thirteenth Annual General Meeting of Samchem Holdings Berhad will be held at Level 3, Lot 6, Jalan Sungai Kayu Ara 32/39, Seksyen 32 40460 Shah Alam, Selangor Darul Ehsan, Tuesday, 28 July 2020 at 10.30 a.m. for the following purposes:

AGENDA

As Ordinary Business

- To receive the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2019 and the Report of the Directors and Auditors thereon. **(Note A)**
- To declare a Final Single Tier Dividend of 1.0 sen per share for the financial year ended 31 December 2019. **(Resolution 1)**
- To approve the payment of Directors' Fees amounting to RM308,000 and benefits of RM17,500 in respect of the year ended 31 December 2019. **(Resolution 2)**
- To approve the payment of Directors' Fees amounting to RM350,000 and benefits of up to RM30,000 from 1 January 2020 until the next Annual General Meeting. **(Resolution 3)**
- To re-elect the following Directors who retire pursuant to Clause 97(b) of the Company's Constitution:
(i) NG THIN POH **(Resolution 4)**
(ii) DATO' THENG BOOK **(Resolution 5)**
- To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **(Resolution 6)**

As Special Business

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

7. Ordinary Resolution

Authority to Issue Shares Pursuant to Section 75 and 76 of the Companies Act, 2016

"THAT subject to the Companies Act, 2016, the Constitution of the Company and the approvals of the Securities Commission, Bursa Malaysia Securities Berhad and other relevant governmental and/or regulatory authorities, if applicable, the Directors of the Company be and are hereby empowered pursuant to Section 75 and 76 of the Companies Act, 2016 to issue shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever 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 ten per centum (10%) of the total issued share capital of the Company for the time being; AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

(Resolution 7)

8. Ordinary Resolution

Authority to Continuing in Office as Independent Non-Executive Director

"THAT Dato' Theng Book 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 Independent Non-Executive Director of the Company."

(Resolution 8)

9. Ordinary Resolution

Proposed Renewal of Authority for Purchase of Own Shares by The Company

"THAT subject always to the provisions of the Companies Act 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant statutory and/or regulatory requirements, the Company be authorised, to the fullest extent permitted by law, to buy-back such amount of Shares in the Company as may be determined by the Directors of the Company from time to time, through Bursa Securities, upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company, provided that:

(Resolution 9)

- the aggregate number of Shares bought-back does not exceed 10% of the total issued and paid-up ordinary share capital of the Company at any time;
- the maximum amount of funds to be allocated for the shares buy-back shall not exceed the Company's audited retained earnings and/or share premium account at any point in time;
- the Shares purchased shall be treated in the following manner:
 - the purchased Shares shall be cancelled; or
 - the purchased Shares shall be retained as treasury shares for distribution as dividend to the shareholders and/or resale on Bursa Securities in accordance with the relevant rules of Bursa Securities and/or cancellation subsequently; or
 - part of the purchased Shares shall be retained as treasury shares and the remainder shall be cancelled; or
 - in such other manner as Bursa Securities and other relevant authorities may allow from time to time.
 - any combination of (a), (b), (c) and (d) above.

AND THAT the authority conferred by this resolution shall commence upon the passing of this resolution 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 the authority will lapse unless renewed by ordinary resolution, 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 resolution passed by the Company in general meeting;
- whichever occurs first.

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to take all such steps as may be necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities (Central Depository) Industry Act, 1991, and the entering into and execution of all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the Shares bought-back) in accordance with the provisions of the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and all other relevant statutory and/or regulatory requirements."

ANY OTHER BUSINESS

- To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act, 2016.

Notice of Dividend Payment and Dividend Entitlement Date

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the Annual General Meeting to be held on 28 July 2020, a final single tier dividend of 1.0 sen per share will be paid on 17 August 2020 to shareholders whose names appear in the Company's Record of Depositors on 3 August 2020.

A Depositor shall qualify for entitlement only in respect of:

- Securities transferred into the Depositor's Securities Account before 4:30 p.m. on 3 August 2020 in respect of transfers; and
- Securities 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

WONG YOUN KIM (F) (MAICSA 7018778)

LEE CHIN WEN (F) (MAICSA 7061168)

Company Secretaries

28 May 2020

Notes:

(A) THE 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 FOR THE AUDITED FINANCIAL STATEMENTS. HENCE, THIS AGENDA ITEM IS NOT PUT FORWARD FOR VOTING.

(B) PROXY

- A member of the Company entitled to attend and vote at this Meeting is entitled to appoint a proxy or proxies (or being a corporate member, a corporate representative) to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- Subject to Note B (v) below, where a member appoint two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
- The instrument appointing a proxy in the case of an individual shall be signed by the appointor or his attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney duly authorised.
- To be valid, the instrument appointing a proxy or by an officer and the power of attorney or other authority (if any) must be completed and deposited at the Registered Office of the Company at Lot 6, Jalan Sungai Kayu Ara 32/39, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for the holding of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll).
- 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") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(vi) Only a depositor whose name appears on the Record of Depositors as at 21 July 2020 shall be entitled to attend the said meeting and to appoint a proxy or proxies to attend, speak and/or vote on his/her behalf.

(vii) Pursuant to Clause 62 of the Constitution of the Company, all resolutions set out in this Notice will be put to vote by way of poll.

(C) EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution 7 – Renewal of Authority to issue shares pursuant to Section 75 and 76 of the Companies Act, 2016.

The proposed Resolution 7, if passed, will give the Directors of the Company, from the date of the above Annual General Meeting, authority to issue and allot shares from the unissued capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the Twelfth Annual General Meeting held on 30 May 2019 and which will lapse at the conclusion of the Thirteenth Annual General Meeting.

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 projects, working capital and/or acquisitions.

Resolution 8 – Authority to Continue in Office as Independent Non-Executive Director
In line with the Malaysian Code on Corporate Governance, the Board of Directors has assessed the independence of Dato' Theng Book, who has served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years

and the Board has recommended him to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:

- Dato' Theng Book has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and hence, he would be able to provide an element of objectivity, independent judgement and balance to the Board;
- His length of services on the Board of more than nine (9) years does not in any way interfere with his exercise of objective judgement or their ability to act in the best interests of the Company and Group. In fact, Dato' Theng Book, has been with the Company for more than nine (9) years, is familiar with the Group's business operations and have devoted sufficient time and commitment to his role and responsibilities as an Independent Director for informed and balance decision making; and
- He has exercised due care during his tenures as Independent Director of the Company and has discharged his duties with reasonable skill and competence, bringing independent judgement and depth into the Board's decision making in the interest of the Company and its shareholders.

Resolution 9 – Proposed renewal of authority for purchase of own shares by the Company

The proposed Ordinary Resolution 9, if passed, will empower the Company to purchase and/or hold up to ten per centum (10%) of the issued and paid-up share of the Company. This authority unless revoked or varied by the Company at a General Meeting will expire at the next Annual General Meeting.

Further information on the Proposed Renewal of Authority for Purchase of Own Shares by the Company is set out in the Share Buy-Back Statements to Shareholders of the Company which is dispatched together with this Annual Report.