

**Notice of 23rd Annual General Meeting**

**NOTICE IS HEREBY GIVEN** that the Twenty-Third Annual General Meeting ("23rd AGM") of Parlo Berhad ("Parlo" or "the Company") will be held on a fully virtual basis vide Securities Services e-Portal at <https://www.sshsb.net.my/login.aspx> with the Broadcast Venue located at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damania, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Friday, 26 June 2020 at 10:00 a.m. for the following purposes:-

**AGENDA**

1. To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Reports of the Directors and the Auditors thereon. (Please refer to Explanatory Note 1)
2. To approve the payment of Directors' fees payable to the Directors of the Company amounting to RM180,000/- for the financial year ending 31 December 2020. (Resolution 1)
3. To approve the benefits payable to the Directors for the period from 27 June 2020 to the next AGM of the Company in year 2021, which comprise solely of meeting allowance of RM500/- per meeting for each Directors of the Company. (Resolution 2)
4. To re-elect Mr. Yap Tsok Lim (Dan), a Director who retires pursuant to Clause 25.3 of the Company's Constitution, and being eligible, has offered himself for re-election. (Resolution 3)
5. To re-appoint Messrs. Morison AAC PTL [converted from a conventional partnership, Morison AAC (formerly known as Morison Anuarul Azizhan Chew) on 8 January 2020] as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to determine their remuneration. (Resolution 4)

**As Special Business**

To consider and, if thought fit, with or without any modification, to pass the following resolutions as Ordinary Resolution:-

6. **Ordinary Resolution No. 1**  
**- Authority to Issue Shares pursuant to the Companies Act 2016** (Resolution 5)

"THAT, subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price 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 twenty per centum (20%) of the total number of issued shares of the Company for the time being (hereinafter referred to as the "20% General Mandate"); AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued pursuant to the 20% General Mandate from Bursa Malaysia Securities Berhad ("Bursa Securities"); AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until 31 December 2021, as empowered by Bursa Malaysia Berhad pursuant to their letter dated 16 April 2020 to grant additional temporary relief measures to listed corporations, notwithstanding Section 76(3) of the Act, be duly varied and adopted by the Directors of the Company pursuant to Section 76(4) of the Act."

**Ordinary Resolution Nos. 2 to 4**

**- Proposed inclusion of three (3) designated employees of the Group, whom are co-incidentally, the Director, Major Shareholder and Person connected to Major Shareholder, of the Company, respectively, as Eligible Beneficiaries of the Company's Employee Share Trust Scheme ("ESTS")**

Whereas:-

An ESTS has been established by the Company with effect from 7 November 2019 for a period of five years (with an option to extend for another five years) as an incentive scheme for eligible employees of Parlo Group, upon the latter's collective achievement of performance target, where they would be awarded a portion of the beneficial interest (known as "distribution rights") in the ESTS shares acquired and held in trust by the Company's appointed Trustee. The ESTS is administered by the ESTS Committee, a committee appointed by the Board with the power to identify and select suitable eligible employees to qualify for the ESTS. Amongst the employees verified by the ESTS Committee, three (3) designated employees are Director, Major Shareholder, and Person connected to Major Shareholder, of the Company, respectively, which the Board would now put forth for the approval of the shareholders of the Company in observance of good corporate governance practice.

7. **Ordinary Resolution No. 2**  
**- Proposed Inclusion of the Executive Director/ Chief Executive Officer, namely Mr. Yap Tsok Lim (Dan) as one of the Eligible Beneficiaries of the Company's ESTS** (Resolution 6)

"THAT, the ESTS Committee be and are hereby authorised, at any time and from time to time during the existence of the ESTS, to include the Executive Director/ Chief Executive Officer of the Company, namely Mr. Yap Tsok Lim (Dan), being an employee of the Company cum a Director of the Company in accordance with the provisions of the Bylaws of ESTS and to grant distribution rights (including but not limited to dividends, bonus issue, rights issue but shall exclude cash capital repayment attached to the ESTS Securities) in relation to ESTS Securities (defined as ordinary shares and/or any other listed securities of the Company quoted on Bursa Securities) acquired and held in trust by the Company's appointed Trustee to, provided that:-

- (i) The identification and selection of eligible employees shall be the sole discretion of the ESTS Committee, after taking into consideration, amongst other factors, the eligible employees' length of service, seniority and performance in Parlo Group;
- (ii) All the time the grant of distribution rights to the eligible employee is made, the ESTS Committee shall set out the basis of the grant, identifying the categories or grade of the eligible employee in the differing categories or grades; and
- (iii) Each grant of the distribution rights shall be made to all eligible employees equally in the deferring categories or grades."

8. **Ordinary Resolution No. 3**  
**- Proposed Inclusion of the Head of Business Development, namely Mr. Yap Fu Fah, also a Major Shareholder as one of the Eligible Beneficiaries of the Company's ESTS** (Resolution 7)

"THAT, the ESTS Committee be and are hereby authorised, at any time and from time to time during the existence of the ESTS, to include the Head of Business Development, namely Mr. Yap Fu Fah, being an employee of the Company cum a Major Shareholder of the Company, in accordance with the provisions of the Bylaws of ESTS and to grant distribution rights (including but not limited to dividends, bonus issue, rights issue but shall exclude cash capital repayment attached to the ESTS Securities) in relation to ESTS Securities (defined as ordinary shares and/or any other listed securities of the Company quoted on Bursa Securities) acquired and held in trust by the Company's appointed Trustee to, provided that:-

- (i) The identification and selection of eligible employees shall be the sole discretion of the ESTS Committee, after taking into consideration, amongst other factors, the eligible employees' length of service, seniority and performance in Parlo Group;
- (ii) All the time the grant of distribution rights to the eligible employee is made, the ESTS Committee shall set out the basis of the grant, identifying the categories or grade of the eligible employee in the differing categories or grades; and
- (iii) Each grant of the distribution rights shall be made to all eligible employees equally in the deferring categories or grades."

9. **Ordinary Resolution No. 4**  
**- Proposed Inclusion of the Head of Corporate Sales of Parlo Tours Sdn. Bhd., namely Mr. Yap Tsok Yuen, also a Person connected to Major Shareholder as one of the Eligible Beneficiaries of the Company's ESTS** (Resolution 8)

"THAT, the ESTS Committee be and are hereby authorised, at any time and from time to time during the existence of the ESTS, to include the Head of Corporate Sales of Parlo Tours Sdn. Bhd., a wholly-owned subsidiary of the Company, namely Mr. Yap Tsok Yuen, being an employee of the Group cum a Person connected to Major Shareholder of the Company, in accordance with the provisions of the Bylaws of ESTS and to grant distribution rights (including but not limited to dividends, bonus issue, rights issue but shall exclude cash capital repayment attached to the ESTS Securities) in relation to ESTS Securities (defined as ordinary shares and/or any other listed securities of the Company quoted on Bursa Securities) acquired and held in trust by the Company's appointed Trustee to, provided that:-

- (i) The identification and selection of eligible employees shall be the sole discretion of the ESTS Committee, after taking into consideration, amongst other factors, the eligible employees' length of service, seniority and performance in Parlo Group."
- (ii) All the time the grant of distribution rights to the eligible employee is made, the ESTS Committee shall set out the basis of the grant, identifying the categories or grade of the eligible employee in the differing categories or grades; and
- (iii) Each grant of the distribution rights shall be made to all eligible employees equally in the deferring categories or grades."

10. To transact any other ordinary business of which due notice has been given.

By Order of the Board

(duly signed)

**CHUA SIEW CHUAN (SSM PC No. 201908002648) (MAICSA 0777689)**

**CHENG CHIA PING (SSM PC No. 202008000730) (MAICSA 1032514)**

Company Secretaries

Kuala Lumpur

Date: 28 May 2020

Notes:

1. This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act, 2016 ("the Act") does not require a formal approval of the members for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 June 2020 ("General Meeting Record of Depositors") shall be entitled to participate, speak and vote at this Meeting.

3. A member entitled to participate and vote at this Meeting is entitled to appoint any person as his proxy to participate and vote instead of him. A proxy appointed to participate, speak and vote at this Meeting shall have the same rights as the member to participate and speak at the Meeting.

4. 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.

5. Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991, it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

6. For any corporation which is member, it may by a resolution of its Directors or other governing body, authorise such person(s) (as it think to act as its representative(s)) in accordance with Clause 22.8 of the Constitution of the Company. A notised or certified copy of such resolution should be submitted to the registered office of the Company in hard copy or via facsimile at 03-2094 9940/ 03-2095 0292 or email to [info@sshsb.com.my](mailto:info@sshsb.com.my).

7. Publication of Notice of 23rd AGM and Proxy Form on corporate website

Pursuant to Section 320(2) of the Act, a copy of this Notice together with the proxy form are available at the corporate website of Parlo Berhad at <http://www.parlogroup.com/investor-relations.html>

8. Appointment of Proxy(ies)

A member may obtain the proxy form for the 23rd AGM vide Note (7) above or the Annual Report (hard copy) or Annual Report (electronic copy) released by Bursa Securities.

**Submission of Proxy Form in either hard copy form or electronic form**

SS E Solutions Sdn. Bhd. ("SSESB") has been appointed as the Poll Administrator for the 23rd AGM of the Company.

The appointment of proxy(ies) may now be made either in hard copy form or by electronic form, and shall be deposited at the Registered Office of the Company located at Level 7, Menara Milenium, Jalan Damania, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, not less than forty-eight (48) hours before the time set for holding the 23rd AGM or any adjournment thereof (i.e. on or before Wednesday, 24 June 2020 at 10:00 a.m.).

Mode of Submission	Designated Address
Hard copy	Securities Services (Holdings) Sdn. Bhd. Level 7, Menara Milenium, Jalan Damania, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur
Electronic appointment	(A) Vide Facsimile (Fax Number: +603-2094 9940 / +603-2095 0292); or (B) Vide designated email address of Poll Administrator: <a href="mailto:info@sshsb.com.my">info@sshsb.com.my</a>
	For either options (A) or (B), the Company may request any member to deposit original executed proxy form to the Registered Office of the Company before or on the day of 23rd AGM for verification purpose.

9. **Fully virtual 23rd AGM - Remote Participation and Remote Voting only**  
 The Broadcast Venue is merely to comply with Section 327(2) of the Act and no member should be physically present at the Broadcast Venue. Members are urged to attend the 23rd AGM of the Company remotely by first registering as a "User" at Securities Services e-Portal located at <https://www.sshsb.net.my/login.aspx> and thereafter proceed to utilise the remote participation and remote voting facilities provided in the said Portal.

Members who are unable to attend the 23rd AGM are encouraged to appoint the Chairman of the Meeting vide the submission of proxy forms (with voting instructions) in order to enable your voting rights be duly exercised by the Chairman of the Meeting on your behalf.

Please refer to the Administrative Guide on the Conduct of a Fully Virtual 23rd AGM for further details.

**Explanatory Notes:-**

1. **Resolutions 1 to 2**

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 shall be approved at a general meeting.

In this respect, the Board wishes to seek shareholders' approval for the following payments to Directors at the 23rd AGM in two (2) separate resolutions as below:-

- **Resolution 1** on payment of Directors' fees to the Directors of the Company amounting to RM180,000/- for the financial year ending 31 December 2020.
- **Resolution 2** on payment of Directors' benefits i.e. the meeting allowance of RM500/- per meeting for each Director of the Company, for their attendance of meetings of the Company, be it Board Meeting, Board Committee Meetings, or AGM or extraordinary general meeting(s), if any, if approved by shareholders, this meeting allowance shall be applicable for the period from 26 June 2020 to the next AGM of the Company in year 2021.

**Resolution 4**

The Audit and Risk Management Committee ("ARMC") having assessed the suitability, objectivity and independence of Messrs. Morison AAC PTL [converted from a conventional partnership, Morison AAC (formerly known as Morison Anuarul Azizhan Chew) on 8 January 2020], recommended the latter's re-appointment as External Auditors of the Company to the Board for consideration. Upon review, the Board in turn would like to recommend the same to the shareholders for approval at the 23rd AGM of the Company. The evaluation criteria adopted as well as the process of assessment by the ARMC and Board, respectively, have been duly elaborated in the Corporate Governance Report of the Company for the financial year ended 31 December 2019.

**Resolution 5**

The Company wishes to renew the mandate on the authority to issue shares pursuant to the Act at the 23rd AGM of the Company (hereinafter referred to as the "General Mandate"). The Company had been granted a general mandate by its shareholders at the 22nd AGM of the Company held on 31 May 2019 (hereinafter referred to as the "Previous Mandate"). As at to-date, the Previous Mandate has not been utilised by the Company and therefore no proceeds have been raised therefrom.

Bursa Malaysia Berhad has via their letter dated 16 April 2020 granted several additional temporary relief measures to listed corporations, amongst others, an increase in general mandate limit for new issues of securities to not more than 20% of the total number of issued shares of the Company for the time being (hereinafter referred to as the "20% General Mandate"). In addition, Bursa Securities has also accorded in its above-mentioned letter that the 20% General Mandate may be utilised by a listed corporation to issue new securities until 31 December 2021 ("Extended Utilisation Period"). The Board would like to procure approval of its shareholders at the 23rd AGM of the 20% General Mandate, inclusive of the Extended Utilisation Period, pursuant to Section 76(4) of the Act. The purpose to seek the 20% General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting merely for such Purpose. The 20% General 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 its business plans, future investment project(s), working capital and/or acquisitions.

The 20% General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the end of the Extended Utilisation Period, i.e. by 31 December 2021.

After having considered all aspects of the 20% General Mandate, the Board is of the opinion that the adoption of the 20% General Mandate would be in the best interest of the Company and its shareholders, on the following basis:-

- The interest of the Company as well as its long term shareholders should be in congruence on the issue of long term sustainability of the Company as only a business operation with healthy and sufficient working capital could generate positive returns to the Company and its shareholders.
- Given the outbreak of Coronavirus Disease 2019 ("COVID-19") pandemic and the subsequent imposition of the Movement Control Order by the Malaysian Government to contain the COVID-19, the tourism industry and tourism-related sector have been severely affected. The additional fund raising flexibility through the 20% General Mandate will enable the Company, should it required to do so, to meet its funding requirements for working capital and operational expenditure, expeditiously and efficiently, without burdening the shareholders with a separate general meeting during this challenging period.
- The Extended Utilisation Period accorded by Bursa Securities has provided flexibility to the cash flow planning of the Company should the Company requires additional funding for the execution of its future plans (as elaborated in the Management Discussion and Analysis section of the Annual Report 2019) or the business contingency plans to mitigate the financial impact of COVID-19.

**Resolutions 6 to 8**

The proposed ordinary resolution(s), if passed, would enable the ESTS Committee to include the three (3) designated employees of the Company/Group, i.e. Mr. Yap Tsok Lim, Mr. Yap Fu Fah and Mr. Yap Tsok Yuen, respectively as Eligible Beneficiaries of the Company's ESTS. The identification and selection of eligible employees shall be the sole discretion of the ESTS Committee, after taking into consideration, amongst other factors, the eligible employees' length of service, seniority and performance in Parlo Group. All the time the grant of distribution rights to the eligible employee is made, the ESTS Committee shall set out the basis of the grant, identifying the categories or grade of the eligible employee in the differing categories or grades. Each grant of the distribution rights shall be made to all eligible employees equally in the deferring categories or grades.