

TIMBERWELL BERHAD

(REGISTRATION NO. 199601014835 [387185-W]) (Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fourth Annual General Meeting of Timberwell Berhad ("Company") will be held at 2nd Floor, Wisma BSN Sabah, Jalan Kemajuan, Karamunsing, 88000 Kota Kinabalu, Sabah on Tuesday, 18th day of August 2020 at 2:00 p.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

- To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2019 together with the Reports of the Directors and Auditors thereon. **Please refer to Explanatory Note (a)**
- To approve the payment of Directors' fees amounting to RM250,000.00 for the financial year ended 31 December 2019. **RESOLUTION 1**
- To approve the payment of Directors' remuneration (excluding Directors' Fees) payable to the Board of the Company and its subsidiaries amounting to RM150,000.00 for the period from 19 August 2020 until the next Annual General Meeting of the Company. **RESOLUTION 2**
- To re-elect the following directors who retire in accordance with Clause 97 of the Constitution of the Company and being eligible offer themselves for re-election:-
 - Dato Sri Tiong King Sing **RESOLUTION 3**
 - Mr Loo Choo Hong **RESOLUTION 4**
- To re-appoint Messrs. Baker Tilly Monteiro Heng PLT (AF0117) as Auditors of the Company and to authorise the Directors to fix their remuneration. **RESOLUTION 5**

AS SPECIAL BUSINESS

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

- Ordinary Resolution**
- Authority to Issue and Allot Shares **RESOLUTION 6**
"THAT subject always to the Companies Act 2016, Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 75 of the Companies Act 2016 to issue and allot not more than ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company pursuant to Section 76 of the Companies Act 2016 and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof."
- Ordinary Resolution**
- Retention of Independent Director in accordance with the Malaysian Code on Corporate Governance 2017
 - "THAT authority be and is hereby given to Dato' Seri Abdul Azim Bin Mohd Zabidi, 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." **RESOLUTION 7**
 - "THAT authority be and is hereby given to Datuk Yap Pak Leong, 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." **RESOLUTION 8**
- To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

TAN KOK SIONG (SSM PC NO. 202008001592 & LS0009932)
TAN BEE HWA (SSM PC NO. 202008001174 & MAICSA 7058049)
Company Secretaries

Kota Kinabalu
19th day of June 2020

NOTES:

- Every member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend participate, speak and vote for him/her but his attendance shall automatically revoke the proxy's authority. A proxy may but need not be a member of the Company.
- A member shall be entitled to appoint not more than two (2) proxies to attend, vote and speak at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, he may appoint not more than two (2) proxies in respect of each Securities Account he 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 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 an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the registered office of the Company at Lot 8 & 9, Block A, 2nd Floor, Damai Point Commercial Centre, Off Jalan Damai, Luyang, 88300 Kota Kinabalu, Sabah not less than forty-eight (48) hours before the time appointed for holding the meeting or adjournment thereof.
- Date of Record of Depositors for the purpose of determining Members' entitlement to attend, participate, speak and vote at the Annual General Meeting is 11 August 2020.

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESSES:

- Item 1 of the Agenda**
- Audited Financial Statements for the financial ended 31 December 2019
This Agenda item is meant for discussion only, as the provision of Sections 248 and 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 will not be put for voting.
- Item 2 of the Agenda**
- Directors' fees (Resolution 1)
Section 230(1) of the Companies Act 2016 provides that 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.
The payment of the Directors' fees for the financial year ended 31 December 2019 will only be made if the proposed Resolution 1 has been passed at the Twenty-Fourth Annual General Meeting ("24th AGM") pursuant to Clause 105 of the Company's Constitution and Section 230(1) of the Companies Act 2016.
- Item 3 of the Agenda**
- Payment of Directors' Remuneration (Resolution 2)
The Directors' remuneration (excluding Directors' fees) comprises only the meeting allowances payable to the Board of the Company and its subsidiaries as follows:-

	Executive Director(s) (RM'000)	Independent Directors (RM'000)	Total Amount (RM'000)
Meeting Allowance	10	140	150

In determining the estimated amount of remuneration payable to the Directors, the Board of Directors ("the Board") considered various factors including the number of scheduled meetings for the Board, Board Committees and general meeting(s) of the Company as well as the number of Directors involved in these meetings.
The Board is of the view that it is just and equitable for the Directors to be paid the Directors' remuneration (excluding Directors' Fees) on a monthly basis and/or as and when incurred, particularly after having discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the period from 19 August 2020 until the next Annual General Meeting ("AGM") in the year 2021. Payment of the Directors' remuneration will be made by the Company and its subsidiaries at their discretion of the Company, if the proposed Resolution 2 is passed at the 24th AGM.

- Item 5 of the Agenda**
- Re-Appointment of Auditors (Resolution 5)
The Audit Committee ("AC") has carried out an assessment of the suitability, objectivity and independence of the external auditors, Messrs. Baker Tilly Monteiro Heng PLT and was satisfied with the suitability of Messrs. Baker Tilly Monteiro Heng PLT based on the quality of audit, performance, competency and sufficiency of resources of the external audit team provided to the Group. The Board therefore approved the AC's recommendation on the re-appointment of Messrs. Baker Tilly Monteiro Heng PLT as the external auditors of the Company be put forward for the shareholders' approval at the forthcoming 24th AGM.
- Item 6 of the Agenda**
- Authority to Issue and Allot Shares (Resolution 6)
The proposed Ordinary Resolution 6 is primarily to give flexibility to the Board of Directors to issue and allot shares to such persons at any time in their absolute discretion without convening a general meeting. This authorisation will expire at the conclusion of the next AGM of the Company.
This is the renewal of the mandate obtained from the members at the last AGM ("the Previous Mandate"). The Previous Mandate was not utilised and accordingly no proceeds were raised.
The purpose of this general mandate is for possible fund-raising exercises including but not limited to further placement of shares, for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

- Item 7 of the Agenda**
- Continuing in Office as Independent Non-Executive Director (Resolutions 7 and 8)
The Nomination and Remuneration Committee has assessed the independence of Dato' Seri Abdul Azim Bin Mohd Zabidi and Datuk Yap Pak Leong, who have served as the Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years, and has recommended them to continue to act as the Independent Non-Executive Directors of the Company based on the following justifications:-
 - fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, would be able to function as a check and balance, bringing an element of objectivity to the Board;
 - have vast experience in the industry that could be shared with the Board but independent judgement to better manage and run the Company;
 - familiar with the Company's business operations and the timber industry as they have served the Company for more than nine (9) years;
 - have devoted sufficient time and attention to discharge the professional obligations for informed and balanced decision making; and
 - have exercised due care during their tenure as an Independent Non-Executive Directors of the Company and carried out their professional duties in the interest of the Company and shareholders.
Under the Malaysia Code on Corporate Governance 2017 ("Code") retention of an Independent Director above 12 years will require shareholders' approval through the two-tier voting process:-
Tier 1: Voting by large shareholder(s); and
Tier 2: Voting by other shareholders.
Shareholders' approval for Ordinary Resolutions 7 and 8 will be sought on two-tier voting basis, if passed, will allow the Independent Directors to be retained and continue acting as Independent Directors to fulfill the requirements of Paragraph 3.04 of the Main Market Listing Requirements of Bursa Securities and in line with the practice 4.2 of the Code.

Measures to Minimise Risk of Coronavirus Disease ("COVID-19")

In order to minimise the risk of community spread of COVID-19, the Company will be taking the following precautionary measures at the 24th AGM:

- All attendees will be required to undergo a temperature check and make a health declaration;
- Any person who has fever or exhibits flu-like symptoms will not be permitted to attend the 24th AGM; and
- There will be no door gift and refreshment served at the 24th AGM.

On the seating arrangement and number of individuals to be present at the venue, the Company will observe the directives, safety and precautionary requirements as prescribed by the Government, the Ministry of Health, the Malaysian National Security Council, and other relevant authorities to curb the spread of COVID-19.

We strongly encourage members to appoint the Chairman of the 24th AGM as their proxy to attend and vote at the 24th AGM.

To vote on any or all of the resolutions at the 24th AGM, you are encouraged to send in your votes in advance by proxy and appoint the Chairman as your proxy. The proxy form is attached to the Notice of AGM.

If you have any questions in relation to any item of the Agenda of the 24th AGM, you may send them in advance via email at enquiry@timwell.com.my.

As the COVID-19 situation continues to evolve, the Company will closely monitor the situation and reserves the right to take further measures as appropriate and comply with any requirements or recommendation of any government agencies from time to time.

The Company seeks the understanding and cooperation of all Shareholders to minimise the risk of community spread of COVID-19.