



ZECON

ZECON BERHAD

Registration No. 198501002015 (134463-X)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Zecon Berhad ("Zecon" or the "Company") will be held at Ground Floor, Menara Zecon, No. 92, Lot 393, Section 5 KTL, Jalan Satok, 93400 Kuching, Sarawak on Friday, 17 July 2020 at 9.30 a.m. for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:-

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 576,473,700 NEW IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES IN ZECON ("ICPS") ON THE BASIS OF 4 ICPS FOR EVERY 1 EXISTING ORDINARY SHARE IN ZECON ("ZECON SHARE(S)" OR "SHARE(S)") HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("ENTITLEMENT DATE") AT AN ISSUE PRICE OF RM0.08 PER ICPS ("PROPOSED RIGHTS ISSUE OF ICPS")

"**THAT** subject to the passing of Special Resolution and subject to all approvals being obtained from the relevant authorities and/or parties, approval be and is hereby given to the Board of Directors of Zecon ("Board") to:-

- i. provisionally issue and allot by way of a renounceable rights issue of up to 576,473,700 ICPS to the entitled shareholders on the Entitlement Date, on the basis of 4 ICPS for every 1 existing Zecon Share held on the Entitlement Date; and
- ii. issue and allot such number of new Zecon Shares to the holders of the ICPS upon their conversion of the relevant ICPS to subscribe for new Zecon Shares during the tenure of the ICPS.

THAT any ICPS which are not validly taken up or which are not allotted for any reason whatsoever to the Entitled Shareholders and/or their renounee(s) shall be made available for excess applications in a fair and equitable manner and to such persons as the Board shall determine at its absolute discretion;

THAT the ICPS to be issued pursuant to the Proposed Rights Issue of ICPS and the new Zecon Shares to be issued arising from the conversion of ICPS shall be listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities");

THAT the proceeds of the Proposed Rights Issue of ICPS be utilised for the purposes as set out in **Section 2.7** of the Circular to Shareholders of the Company dated 24 June 2020 ("**Circular**"), including to set-off the advances of RM10,711,111 owing by Zecon to Datuk Haji Zainal Abidin bin Haji Ahmad ("**Datuk Haji Zainal**") via the capitalisation of such amount through the ICPS entitlements of the undertaking shareholders, namely Datuk Haji Zainal and Dawla Capital Sdn Bhd, pursuant to their respective undertakings to collectively subscribe for a minimum of 243,531,300 ICPS pursuant to the Proposed Rights Issue of ICPS, and that the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject to the approval of the relevant authorities (if required);

THAT the new Zecon Shares to be issued pursuant to the conversion of the ICPS shall, upon allotment, issuance and full payment (if any) of the ICPS conversion price of RM0.08 for 1 new Zecon Share, rank equally in all respects with the then existing issued Zecon Shares, save and except that the holders of such new Zecon Shares shall not be entitled to any dividends, rights, allotments and/or other distributions for which the entitlement date precedes the date of allotment of such new Zecon Shares to be issued pursuant to the conversion of the ICPS;

THAT the Board be and is hereby authorised and empowered to do or procure to be done all such acts, deeds and things and to execute, sign and deliver, on behalf of the Company, all such documents to give effect to and complete the Proposed Rights Issue of ICPS with full powers to assent to any conditions, variations, modifications and/or amendments to the terms of the Proposed Rights Issue of ICPS as may be required or imposed by any relevant authorities and/or parties and as the Board may deem necessary and expedient to finalise, implement and give full effect to the Proposed Rights Issue of ICPS and any material variations, modifications and/or amendments to the Proposed Rights Issue of ICPS will be subject to compliance with Paragraph 8.22 of the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**");

AND THAT this ordinary resolution constitutes specific approval for the issuance of Shares and securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all ICPS and new Shares to be issued pursuant to or in connection with the Proposed Rights Issue of ICPS have been allotted and issued in accordance with the terms of the Proposed Rights Issue of ICPS."

ORDINARY RESOLUTION 2

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES OF ZECON AT ANY POINT IN TIME ("PROPOSED ESOS")

"**THAT** subject to the approvals of all relevant regulatory authorities and/or parties being obtained, including the approval of Bursa Securities for the listing and quotation for the new Zecon Shares to be issued arising from the exercise of the options granted under the Proposed ESOS ("**ESOS Option(s)**"), approval be and is hereby given for the Board:-

- (a) establish, implement and administer the Proposed ESOS in accordance with the bylaws of the Proposed ESOS ("**By-laws**"), a draft of which is set out in **Appendix III** of the Circular, to approve and adopt the By-laws and to give effect to the Proposed ESOS with full power to assent to any conditions, variations, modifications and/or amendments as may be required by the relevant authorities;
- (b) make the necessary applications and do all things necessary at the appropriate time or times to Bursa Securities for the listing and quotation for the new Zecon Shares which may from time to time be allotted and issued arising from the exercise of the ESOS Options;
- (c) allot and issue such number of new Zecon Shares from time to time as may be required arising from the exercise of the ESOS Options, **PROVIDED THAT** the total number of new Zecon Shares which may be made available under the Proposed ESOS shall not in aggregate exceed 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the Proposed ESOS **AND THAT** the new Zecon Shares to be allotted and issued arising from the exercise of the ESOS Options shall, upon allotment and issuance, rank pari passu in all respects with the existing issued Zecon Shares, except that the new Zecon Shares will not be entitled to any dividends, rights, allotment and/or other forms of distribution ("**Distribution**") that may be declared, made or paid to shareholders, for which the entitlement date for the Distribution precedes the date of allotment and issuance of the said new Zecon Shares. The new Zecon Shares will be subject to all provisions of the Constitution of Zecon relating to transfer, transmission or otherwise;
- (d) modify and/ or amend the Proposed ESOS and/ or the By-laws from time to time provided that such modifications and/ or amendments are permitted and effected in accordance with the provisions of the By-laws relating to modifications and/ or amendments; and
- (e) do all such acts and things, take such steps, execute all such documents and enter into all such arrangements, agreements, deeds and/ or undertakings with any party(ies) as they may deem fit, necessary, expedient and/ or appropriate in order to finalise, implement and/ or give full effect to the Proposed ESOS and terms of the By-laws with full power to assent to any terms, conditions, modifications, variations and/ or amendments as may be agreed to or required by any relevant authorities or as a consequence of any such requirement as may be deemed necessary and/ or expedient and in the best interest of the Company."

ORDINARY RESOLUTIONS 3 TO 13

PROPOSED ALLOCATION OF ESOS OPTIONS

"**THAT**, subject to the passing of the Ordinary Resolution 2 and the approvals of the relevant authorities for the Proposed ESOS, including the approval from Bursa Securities for the listing of the new Zecon Shares to be issued arising from the exercise of the ESOS Options, having been obtained, approval be and is hereby given to the Board to authorise the ESOS Committee, at any time and from time to time throughout the duration of the Proposed ESOS, to offer and grant to the following persons, ESOS Options to subscribe for new Zecon Shares under the Proposed ESOS:-

Ordinary Resolution	Name
Ordinary Resolution 3	Datu Haji Hamzah bin Haji Drahan (Independent Non-Executive Chairman)
Ordinary Resolution 4	Datuk Haji Zainal Abidin bin Haji Ahmad (Group Managing Director)
Ordinary Resolution 5	Haji Zainurin bin Haji Ahmad (Deputy Managing Director)
Ordinary Resolution 6	Dato' Abdul Majit bin Ahmad Khan (Senior Independent Non-Executive Director)
Ordinary Resolution 7	Richard Kiew Jiat Fong (Independent Non-Executive Director)
Ordinary Resolution 8	Datuk Haji Bolhassan bin Di @ Ahmad bin Di (Independent Non-Executive Director)
Ordinary Resolution 9	Hui Kok Yuan (Non Independent Non-Executive Director)
Ordinary Resolution 10	Haji Szalzi bin Md Salleh (Non Independent Non-Executive Director)
Ordinary Resolution 11	Haji Jamil bin Jamaludin (Executive Director)
Ordinary Resolution 12	Muhammad Nasri bin Zainal Abidin (Facilities Management Executive)
Ordinary Resolution 13	Dayangku Balqis Sharbanu binti Awangku Abdul Malit @ Awangku Malyx (Human Resource Manager)

PROVIDED ALWAYS THAT:-

- (a) he/she must not participate in the deliberation or discussion of his/her own allocation;
- (b) the allocation to him/her, who either singly or collectively, through persons connected (as defined under the Listing Requirements) to him/her, holds 20% or more of the total number of issued shares (excluding treasury shares, if any) of Zecon, must not exceed 10% of the total number of new Zecon Shares to be issued under the Proposed ESOS;
- (c) at any one time during the ESOS Period, not more than 50% of the total number of ESOS Options available under the Proposed ESOS could be allocated, in aggregate to the Directors and senior management of Zecon and subsidiaries, which are not dormant, who meet the criteria of eligibility for participation in the Proposed ESOS; and
- (d) subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-laws of the Proposed ESOS, the Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authority, as amended from time to time.

AND THAT the Board is also authorised to allot and issue the corresponding number of new Zecon Shares arising from the exercise of the ESOS Options that may be granted to him under the Proposed ESOS;

AND FURTHER THAT the proposed draft By-laws of the Proposed ESOS, as set out in **Appendix III** of the Circular, be and is hereby approved."

SPECIAL RESOLUTION

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY TO FACILITATE THE PROPOSED RIGHTS ISSUE OF ICPS ("PROPOSED AMENDMENTS")

"**THAT**, subject to the passing of Ordinary Resolution 1 and the approval of all relevant authorities or parties being obtained (if required), approval be and is hereby given to the Company to amend the Constitution of the Company in the manner set out in **Appendix II** of the Circular.

AND THAT the Board be and is hereby authorised to give effect to the Proposed Amendments with full power to assent to any conditions, modifications, variations and/ or amendments as may be required by the relevant authorities and to do all such acts as it may consider necessary or expedient in the best interest of the Company to give effect to the Proposed Amendments."

By Order of the Board

KOH FEE LEE (MAICSA NO. 7019845)
YOON JAN MOI (MAICSA NO. 7021367)
Company secretaries

Kuching
24 June 2020

Notes:-

1. In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at 10 July 2020 shall be eligible to attend, speak and vote at the meeting.
2. A member entitled to attend and vote at this meeting is entitled to appoint not more than 2 proxies to attend and vote in his stead. A proxy need not be a member of the Company and provision of Section 334(2) of the Companies Act, 2016 shall not apply to the Company.
There shall be no restriction as to the qualification of the proxy.
A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.
3. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("**SICDA**"), it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 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.
An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
5. Where more than one proxy is appointed, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
7. The instrument appointing a proxy must be deposited at the registered office of the Company at 8th Floor, Menara Zecon, No. 92, Lot 393, Section 5 KTL, Jalan Satok, 93400 Kuching, Sarawak not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.