

NOTICE OF FORTY-FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Fifth (45th) Annual General Meeting ("AGM") of Pegasus Heights Berhad ("the Company") will be held at Centerpoint Seremban Convention Hall, Lot 2-01, 2-02 and 2-03, 2nd Floor Centerpoint Seremban, Lot 9149, Jalan Dato Siamang Gagap, 70100 Seremban, Negeri Sembilan, Malaysia on Monday, 27 July 2020 at 9.00 a.m. for the following purposes:-

AS ORDINARY BUSINESS

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| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Reports of the Directors and Auditors thereon. | <i>Please refer to Explanatory Note 1</i> |
| 2. To approve the payment of Directors' fees and other benefits of up to RM350,000 to be divided amongst the Directors in such manner as the Directors may determine for the period commencing from the conclusion of the 45th AGM until the conclusion of the next AGM of the Company in year 2021. | <i>Ordinary Resolution 1</i> |
| 3. To re-elect Dato' Abdul Aziz @ Abdul Aziz Bin Abu Bakar who is retiring by rotation pursuant to Clause 105(1) of the Company's Constitution and being eligible, has offered himself for re-election. | <i>Ordinary Resolution 2</i> |
| 4. To re-elect the following Directors who are retiring pursuant to Clause 114 of the Company's Constitution and being eligible, have offered themselves for re-election:-
i. Ms. Low Yen Hoon
ii. Mr. Chin Pak Loong | <i>Ordinary Resolution 3</i>
<i>Ordinary Resolution 4</i> |
| 5. To re-appoint Messrs. UHY as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | <i>Ordinary Resolution 5</i> |

AS SPECIAL BUSINESS

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

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| 6. PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY ("PROPOSED AMENDMENTS") | <i>Special Resolution 1</i> |
| <p>"THAT the proposed amendments to the Constitution of the Company as set out in the Appendix A attached with the Annual Report for the financial year ended 31 December 2019, be approved and adopted AND THAT the Directors and/or Secretary of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said Proposed Amendment for and on behalf of the Company."</p> | |
| 7. AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 | <i>Ordinary Resolution 6</i> |
| <p>"THAT subject to the Companies Act, 2016 ("the Act"), the Constitution of the Company, the MAIN Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Additional Temporary Relief Measure to Listed Corporations for COVID-19, issued by Bursa Securities on 16 April 2020 and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) at any point in time ("20% General Mandate"); AND THAT the Directors be and are also empowered to obtain approval for the listing and quotation for the additional shares so issued pursuant to the 20% General Mandate on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company or at any adjournment thereof."</p> | |
| 8. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE") | <i>Ordinary Resolution 7</i> |

"THAT subject to the provisions of the MMLR of Bursa Securities, approval be and is hereby given for the Proposed Renewals of Shareholders' Mandate of the Company and/or its subsidiaries to enter into and to give effect to the category of the recurrent related party transactions of a revenue or trading nature from time to time with the Related Party as specified in the Circular dated 26 June 2020 provided that such transactions are:-

- undertaken in the ordinary course of business at arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public;
- necessary for the day-to-day operations; and
- not to the detriment of the minority shareholders of the Company.

THAT such approval shall continue to be in force until :-

- the conclusion of the next AGM of the Company following this AGM at which such Shareholders' Mandate is passed, at which it will lapse, unless by an ordinary resolution passed at such AGM, the authority is renewed; or
- the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must 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 earlier;

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

- To transact any other business of which due notices shall have been given in accordance with the Companies Act, 2016.

BY ORDER OF THE BOARD,

TAN TONG LANG (MAICSA 7045482 / SSM PC No. 201908002253)

THIEN LEE MEE (LS0009760 / SSM PC No. 201908002254)

Company Secretaries

Kuala Lumpur

Dated: 26 June 2020

Notes:

- A member entitled to attend and vote at the meeting is entitled to appoint proxy(ies) (or in case of a corporation, a duly authorised representative) to attend and vote in his stead. A proxy may but need not be a member of the Company.
- 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 seal or under the hand of an officer or attorney duly authorised.
- A member may appoint one (1) or more proxies to attend the meeting. Where a member appoints two (2) or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. 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.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoints more than (1) proxies in respect of each Securities Account it holds with 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 as defined under the SICDA 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.
- The instrument appointing a proxy must be deposited at the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd of 11th Floor, Menara Symphony, No. 5, Jalan Prof Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time fixed for holding the meeting or any adjournment thereof.
- Only the members whose names appear on the Record of Depositors as at 20 July 2020 shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend and vote on their behalf.
- Pursuant to Paragraph 8.29A of the MMLR of Bursa Securities, all resolutions set out in the Notice of AGM will be put to vote on a poll.

Public Health Precautions and Preventive Measures

In light of the COVID-19 outbreak, we appreciate if all shareholders, proxies and invited guests could take all the necessary precautions and preventive measures as issued by the Ministry of Health when attending the 45th AGM. If you are unwell with sore throat, flu, fever, cough, aches and pains, nasal congestion, runny nose, diarrhoea or shortness of breath, and/or you are under high risk group which is above age of 60, your attendance in person at the 45th AGM will be denied. You are hereby strongly advised and encouraged to submit your Proxy Form prior to the 45th AGM.

To safeguard the health and safety of shareholders, proxies and invited guests who may be attending the 45th AGM in person, the Company will also implement the following precautionary measures for the 45th AGM:-

- The Company will limit the number of attendees including invited guests to be physically present at the venue of the 45th AGM to 100 based on the size of the venue. Hence, the total shareholders present in person or by proxy or attorney or authorised representative shall preferably be limited to 85 only or lesser after taking into consideration of the attendance of the Directors, Senior Management, Company Secretary, Poll Administrator, Scrutineers and Auditors. The registration for the 45th AGM shall on first-come-first-serve basis.
- Shareholders, proxyholders and corporate representatives ("Participants") will have to go through a compulsory body temperature screening and will be required to provide his/her health declaration via MySejahtera application during the registration process, specifically to facilitate the Company in preventing any potential spread of COVID-19. Any person with a body temperature of above 37.5°C or is experiencing any symptoms of being unwell above, you will NOT be allowed to enter the venue of the 45th AGM.
- A face mask advance and throughout the 45th AGM proceedings is highly encouraged. Please be informed that the Company will not be providing face masks.
- No door gift will be provided to the Members or proxies.

Explanatory Note to ordinary and Special Business:-

- Item No. 1 of the Agenda – Audited Financial Statements**
This Agenda item is meant for discussion only as provision of Section 340(1) (a) of the Act does not require a formal approval of the shareholders and hence, is not put forward for voting.
- Special Resolution 1 – Proposed Amendments to the Constitution of the Company**
The Proposed Amendments to the Constitution of the Company is primarily to provide further clarify on certain terms of the Constitution and provide more flexibility for the Company and to ensure the compliance with the Act, MMLR of Bursa Securities. The Proposed Amendments to be made to the Constitution are listed as per Appendix A attached in the Annual Report for the financial year ended 31 December 2019.
- Ordinary Resolution 6 – Authority to Allot Shares Pursuant to Sections 75 and 76 of the Act**
The proposed Ordinary Resolution 6, the Company wishes to renew the mandate to the authority to allot and issue shares pursuant to Sections 75 and 76 of the Act at the forthcoming 45th AGM of the Company.

The Company had at its 44th AGM held on 1 June 2019, obtained a general mandate pursuant to Sections 75 and 76 of the Act from the shareholders of the Company ("Previous Mandate"). As at the date of this Notice, no new shares in the Company were issued pursuant to the Previous Mandate and no proceeds were raised.

Bursa Securities 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 ("20% General Mandate"). Pursuant to the 20% General Mandate, Bursa Securities has also mandated that the 20% General Mandate may be utilised by a listed corporation to issue new securities until 31 December 2021 and thereafter, the 10% General Mandate will be reinstated ("Extended Utilisation Period").

Having considered the current economic climate arising from the global COVID-19 pandemic and future financial needs of the Group, the Board would like to seek the approval for the 20% General Mandate, inclusive of the Extended Utilisation Period, pursuant to Section 76(4) of the Act, from its shareholders at the forthcoming 45th AGM of the Company.

The Board is of the opinion that this 20% General Mandate is in the best interest of the Company and its shareholders. The 20% General Mandate will provided flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the 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 general meeting, will expire at the end of the Extended Utilisation Period, i.e. by 31 December 2021.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.
- Ordinary Resolution 7 - Proposed Renewal of Shareholders' Mandate**
The proposed Ordinary Resolution no. 7 if passed, will provide a renewal mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with Related Parties in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public and which are necessary for the Group's day-to-day operations. This mandate shall lapse at the conclusion of the next AGM unless authority for the renewal is obtained from the shareholders of the Company at general meeting.

Further information on the Proposed Renewal of Shareholders' Mandate are set out in the Circular dated 26 June 2020 of the Company.