



# MAGNA PRIMA BERHAD

(369519-P) (199501040315)

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Fifth Annual General Meeting (“AGM”) of Magna Prima Berhad (“Magna Prima”) will be held at Ideal Convention Centre – IDCC Shah Alam, Level 7, Jalan Pahat L 15/L, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan on Thursday, 13 August 2020 at 10.00 a.m. for the following purposes:

### As Ordinary Business:

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 Note 1*
2. To re-elect the following Directors who are retiring in accordance with Article 104 of the Company’s Constitution and being eligible, offer themselves for re-election:
  - i- Mr. Ho Wen Yan **Ordinary Resolution 1**
  - ii- Mr. Low Yew Shen **Ordinary Resolution 2**
3. To approve the payment of Directors’ fees up to RM200,000 in respect of the period from 14 August 2020 until the conclusion of the next Annual General Meeting of the Company. **Ordinary Resolution 3**
4. To approve the payment of a meeting attendance allowance of RM500 per meeting to the Non-Executive Directors and leave passage allowance of RM12,000 per annum to the Chairman for the period from 14 August 2020 until the conclusion of the next Annual General Meeting of the Company. **Ordinary Resolution 4**
5. To re-appoint Messrs Morison Anuarul Azizan Chew (AF 001977) as Auditors of the Company for the financial year ending 31 December 2020 and to authorise the Board of Directors to fix their remuneration. **Ordinary Resolution 5**

### AS SPECIAL BUSINESS:

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

6. **Retention of Independent Non-Executive Directors pursuant to the Practice 4.2 of the Malaysian Code on Corporate Governance 2017**

“THAT approval be and is hereby given to the following Directors who have served as Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, be and are hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company.”

(a) YBhg Tan Sri Datuk Adzmi bin Abdul Wahab

(b) En Sazali bin Saad

**Ordinary Resolution 6**  
**Ordinary Resolution 7**

7. **Authority to Allot and Issue Shares in General pursuant to Sections 75 and 76 of the Companies Act, 2016**

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 Measures 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

**Ordinary Resolution 8**

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 hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued pursuant to the 20% General Mandate on Bursa Securities;

AND 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 Securities pursuant to their letter dated 16 April 2020 to grant additional temporary relief measures to listed corporations, notwithstanding Section 76(3) of the Act, duly varied and adopted by the Directors of the Company pursuant to Section 76(4) of the Act."

8. **Proposed Renewal of Authority for Purchase of Own Shares by the Company ("Proposed Renewal of Share Buy-Back")** **Ordinary Resolution 9**

"THAT subject to the Act, the provisions of the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary 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 interest of the Company provided that:-

- i) the aggregate number of shares purchased or held as treasury shares does not exceed 10% of the total number of issued and paid-up shares of the Company as quoted on Bursa Securities as at the point of purchase;
- ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares be backed by an equivalent amount of retained profits; and
- iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares, or cancel the shares, or retain part of the shares so purchased as treasury shares and cancel the remainder, or resell the shares, or transfer the shares or distribute the shares as dividends;

**AND THAT** the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:-

- i) the conclusion of the next AGM at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all

such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto.”

By order of the Board,

**YUEN YOKE PING** (SSM PC No.:201908002645) (MAICSA 7014044)  
Company Secretary  
Shah Alam  
Date: 30 June 2020

**Notes:**

1. A member of the Company who is entitled to attend and vote at this Meeting is entitled to appoint a proxy or proxies to attend and vote on his behalf.
2. A proxy need not be a member of the Company.
3. Where the member of the Company appoints two or more proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
4. If the proxy is executed by a corporation, the Form of Proxy must be under its common seal or the hand of an officer or attorney duly authorised.
5. The instrument appointing the proxy must be deposited at the Registered Office of the Company at Lot 4.01, Level 4, IDCC Corporate Tower, Jalan Pahat L 15/L, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time set for holding the Meeting or adjourned Meeting.
6. Depositors who appear in the Record of Depositors as at 7 August 2020 shall be regarded as member of the Company entitled to attend the Twenty Fifth Annual General Meeting or appoint a proxy to attend and vote on his behalf.

**COVID-19 Outbreak Measure Notes**

*The health and safety of our members and staff who will attend the 25<sup>th</sup> AGM are the top priority of the Company. Hence, the following precautionary measures will be taken for the conduct of the 25<sup>th</sup> AGM:*

- a. *Members or proxies are encouraged to abide by the most current regulations in place and enforced by the Ministry of Health and Government of Malaysia at the time deciding on whether or not to attend the 25<sup>th</sup> AGM in person.*
- b. *Members are encouraged to appoint the Chairman of the meeting (or any other person) to act as proxy to attend and vote at the 25<sup>th</sup> AGM on their behalf by submitting the proxy form with predetermined voting instruction.*
- c. *Members or proxies who are feeling unwell or have been placed on quarantine orders or stay-at-home notices, you are advised to refrain from attending the 25<sup>th</sup> AGM in person.*
- d. *Members or proxies who had been in physical contact with a person infected with COVID-19 are advised to refrain from attending the 25<sup>th</sup> AGM in person.*
- e. *In the interest of the public health including the well-being of our members, members must cooperate with the precautionary measures put in place by the Company should members (or your proxies) wish to attend the 25<sup>th</sup> AGM in person.*
- f. *Members/proxies must sanitise their hands and are strongly advised to wear a face mask if they are attending the meeting in person.*
- g. *Members or proxies are advised to observe/maintain social distancing throughout the meeting.*
- h. *NO door gift will be provided to the Members or proxies.*

*In view of the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our 25<sup>th</sup> AGM at short notice. Kindly check Bursa Securities's and Company's website at [www.magnaprima.com.my](http://www.magnaprima.com.my) for the latest updates on the status of the said meeting.*

**Explanatory Notes on Ordinary Business:**

**1. Audited Financial Statements for the financial year ended 31 December 2019**

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

**2. Resolution 6 and 7 - Retention of Independent Non-Executive Directors pursuant to the Practice 4.2 of the Malaysian Code on Corporate Governance 2017**

The Nomination Committee has assessed the independence of the following Directors, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than twelve (12) years, and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:

Resolution 6: YBhg Tan Sri Datuk Adzmi bin Abdul Wahab

- i) He has confirmed and declared that he is an Independent Director as defined in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities");
- ii) He does not have any conflict of interest with the Company and has not entered/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies;
- iii) He has been with the Company since 2 May 2006 for more than twelve (12) years with incumbent knowledge of the Company and the Group's activities and corporate history; and
- iv) He has performed his duty diligently and in the best interest of the Company and provides a broader view, independent and balanced assessment of proposals from the Management.

Resolution 7: En. Sazali bin Saad

- i) He has confirmed and declared that he is an Independent Director as defined in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities");
- ii) He does not have any conflict of interest with the Company and has not entered/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies;
- iii) He has been with the Company since 2 May 2006 for more than twelve (12) years with incumbent knowledge of the Company and the Group's activities and corporate history; and
- iv) He has performed his duty diligently and in the best interest of the Company and provides a broader view, independent and balanced assessment of proposals from the Management.

Practice 4.2 of the Malaysian Code on Corporate Governance 2017 states that the tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

**3. Resolution 8**

*The Resolution 8, if passed, is a renewal of the general mandate and empowered the Directors of the Company pursuant to Sections 75 and 76 of the Act to issue and allot new shares in the Company ("General Mandate").*

*The Company had obtained the mandate from the shareholders at the last AGM held on 20 June 2019 ("Previous Mandate"). As at the date of this Notice, no new shares in the Company were issued pursuant to the Previous Mandate and accordingly, no proceeds were raised.*

*As part of the initiative from Bursa Malaysia Securities Berhad ("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 ("Extended Utilisation Period") and thereafter, the 10% general mandate will be reinstated.*

*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 procure 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 25th AGM of the Company.*

*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 general meeting, will expire at the end of the Extended Utilisation Period, i.e. by 31 December 2021.*

*The Board of Directors of the Company, after due consideration, is of the opinion that in the face of unprecedented challenges to the Company brought by Covid-19 pandemic, this 20% General Mandate will*

*enable the Company further flexibility to raise funds expeditiously other than incurring additional interest costs as compared to bank borrowings, thereby allowing the Company to preserve its cash flow and achieve a more optimal capital structure. Any funds raised from this 20% General Mandate is expected be used as working capital to finance day-to-day operational expenses, on-going projects or future projects/investments to ensure the long-term sustainability of the Company.*

*The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 20% General Mandate is in the best interest of the Company and its subsidiaries.*

**4. Resolution 9**

The Resolution 9, if passed, will empower the Directors to purchase the Company's shares of up to 10% of the total number of issued shares of the Company at any point of time, by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting..

Please refer to Statement to Shareholders for the Proposed Renewal of Share Buy-Back in the Annual Report.