



**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the 25th Annual General Meeting of Ralco Corporation Berhad ("Company") will be held at Langkawi Room, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasia 3, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 29th day of July 2020 at 10.00 a.m. for the following purposes:-

**AS ORDINARY BUSINESS**

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| <ol style="list-style-type: none"> <li>1. To lay before the meeting the Audited Financial Statements for the financial year ended 31 December 2019 together with the Reports of the Directors and Auditors thereon.</li> <li>2. To approve the payment of Directors' fees amounting to RM140,000.00 for the financial year ended 31 December 2019.</li> <li>3. To approve the Directors' remuneration (excluding Directors' fee) payable to the Non-Executive Directors of the Company and its subsidiaries amounting to RM44,500.00 for the financial period from 1 July 2020 until 30 June 2021.</li> <li>4. To re-elect Mr Heng Chee Wei, who retires by rotation pursuant to Clause 97.1 of the Company's Constitution.</li> <li>5. To re-elect Mr Ang Seng Wong, who retires pursuant to Clause 104 of the Company's Constitution.</li> <li>6. To re-appoint Messrs. RSM Malaysia (AF 0768) as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.</li> </ol> | <p>[Please refer to Explanatory Note (b)]</p> <p><b>RESOLUTION 1</b></p> <p><b>RESOLUTION 2</b></p> <p><b>RESOLUTION 3</b></p> <p><b>RESOLUTION 4</b></p> <p><b>RESOLUTION 5</b></p> |
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**AGENDA**

**AS SPECIAL BUSINESS**

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

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| <ol style="list-style-type: none"> <li>7. <b>Ordinary Resolution</b><br/><b>Authority to issue and allot shares</b><br/>"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 twenty percent (20%) 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."</li> <li>8. <b>Ordinary Resolution</b><br/><b>Continuing in Office as an Independent Non-Executive Director - Datuk Lim Si Cheng</b><br/>"THAT authority be and is hereby given to Datuk Lim Si Cheng 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."</li> <li>9. <b>Ordinary Resolution</b><br/><b>Continuing in Office as an Independent Non-Executive Director - Law Doung Chin</b><br/>"THAT authority be and is hereby given to Law Doung Chin 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."</li> <li>10. To transact any other ordinary business of the Company for which due notice shall have been given.</li> </ol> | <p><b>RESOLUTION 6</b></p> <p><b>RESOLUTION 7</b></p> <p><b>RESOLUTION 8</b></p> |
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**BY ORDER OF THE BOARD**

**LIM LEE KUAN (SSM PC NO. 202008001079) (MAICSA 701753)**  
**ELIZABETH ALLISON DE ZILVA (SSM PC NO. 202008002112) (MAICSA 7030086)**  
Company Secretaries  
Kuala Lumpur  
30 June 2020

**NOTES:**

1. A member entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him. A proxy may, but need not, be a member of the Company and there shall be no restriction as to the qualification of the proxy.
2. 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.
3. Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (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 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 the Exempt Authorised Nominee appoints two (2) or more proxies to attend and vote at the same meeting, such appointment shall be invalid unless the Exempt Authorised Nominee specifies the proportion of his holdings to be represented by each proxy.
5. 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 the corporation's seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at the Share Registrar's office, System & Securities Sdn. Bhd. at Plaza 138, Suite 18.03, 18<sup>th</sup> Floor, 138 Jalan Ampang, 50450 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
7. Date of Record of Depositors for the purpose of determining Members' entitlement to attend, vote and speak at the Annual General Meeting is 22 July 2020.

**EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS:**

- (i) **Item 1 of the Agenda**  
**Audited Financial Statements for the financial year ended 31 December 2019**  
This Agenda item is meant for discussion only, as the provisions of Section 248 and Section 340(1)(a) of the Companies Act, 2016 do not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
- (ii) **Ordinary Resolution 2**  
Pursuant to Section 230(1) of the Companies Act 2016, the fee of the Directors, and any benefits payable to the Directors including any compensation for loss of employment of a director or former director of a public company or a listed company and its subsidiaries, shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 25th Annual General Meeting on the Directors' remuneration (excluding the Directors' fee) payable to the Non-Executive Directors of the Company and its subsidiaries for the financial period from 1 July 2020 until 30 June 2021 ("Relevant Period"). The Directors' remuneration (excluding Directors' fee) comprises the allowances and other emoluments payable to the Non-Executive Directors are set out below:

Description	Chairman (RM)	Non-Executive Director (RM)
Meeting Allowance (per meeting)		
- Board Committees	1,300	800
- Audit Committees	1,300	-
Fixed Allowance (per annum)	12,000	-
Directors Liability Insurance (per annum)	3,500	3,500

**Note:**

- There are no Non-Executive Directors in the subsidiaries.

In determining the estimated total amount of the directors' remuneration (excluding Directors' fee), the Board considered various factors including the number of scheduled meetings for the Board and Board Committees as well as the number of Directors involved in these meetings.

Payment of Directors' remuneration (excluding Directors' fee) will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred if the proposed Resolution 2 has been passed at the 25th Annual General Meeting. The Board is of the view that it is just and equitable for the Directors to be paid with the Directors' remuneration (excluding Directors' fee) on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the Relevant Period.

- (iii) **Ordinary Resolution 6**  
**Authority to issue and allot shares**  
The proposed Ordinary Resolution 6, if passed, will give flexibility to the Directors of the Company to issue and allot shares up to a maximum of twenty per centum (20%) of the total number of issued shares (excluding treasury shares) of the Company at the time of such issuance of shares and for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.  
This is the new mandate and the previous mandate obtained from the shareholders at the last Annual General Meeting ("the Previous Mandate") would lapse on 30 June 2020.  
The purpose of this general mandate is to provide flexibility to the Company for any possible fund raising activities but not limited for further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.
- (iv) **Ordinary Resolution 7**  
**Continuing in Office as an Independent Non-Executive Director - Datuk Lim Si Cheng**  
The Nomination Committee and Board had assessed the independence of Datuk Lim Si Cheng, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and had recommended him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:-
  - a. he fulfilled the criteria under the definition of Independent Director as set out under Paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as a check and balance, bringing an element of objectivity to the Board;
  - b. he has been with the Company for more than 9 years and is familiar with the Company's business operations;
  - c. he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making and had actively participated in board discussion and provided an independent voice to the Board; and
  - d. he has exercised his due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders.
 The details of Datuk Lim Si Cheng are set out on page 8 of the Annual Report.
- (v) **Ordinary Resolution 8**  
**Continuing in Office as an Independent Non-Executive Director - Law Doung Chin**  
The Nomination Committee and Board had assessed the independence of Law Doung Chin, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and had recommended him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:-
  - a. he fulfilled the criteria under the definition of Independent Director as set out under Paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as a check and balance, bringing an element of objectivity to the Board;
  - b. he has been with the Company for more than 9 years and is familiar with the Company's business operations;
  - c. he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making and had actively participated in board discussion and provided an independent voice to the Board; and
  - d. he has exercised his due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders.
 The details of Law Doung Chin are set out on page 9 of the Annual Report.

**Measures to Minimise Risk of COVID-19**

In order to minimise the risk of community spread of COVID-19 pandemic, the Company will be taking the following precautionary measures at the 25th AGM:-

1. All attendees will be required to wear a mask, undergo a temperature check and make a health declaration prior to entering the meeting venue;
2. Any person who has fever or exhibits flu-like symptoms will not be permitted to attend the 25th AGM;
3. There will be no door gift and refreshment served at the 25th AGM; and
4. Shareholders are required to register ahead of the meeting to allow the company to make the necessary arrangements including in relation to logistics. Kindly contact the Share Registrar's office, System & Securities Sdn. Bhd. at Plaza 138, Suite 18.03, 18<sup>th</sup> Floor, 138 Jalan Ampang, 50450 Kuala Lumpur (Tel. No. (603)-21615466 or email to systems@ssassociates.com.my) to pre-register before attending the 25th AGM

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

We strongly encourage shareholders to appoint the Chairman of the 25th AGM as their proxy to attend and vote at the 25th AGM.

**To vote on any or all of the resolutions at the 25th 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 25th AGM, you may send them in advance via email at [ewgan@ralco.net](mailto:ewgan@ralco.net).

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 pandemic.