

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Seventy-Third Annual General Meeting (73<sup>rd</sup> AGM) of the Company will be held at Level 11, DoubleTree by Hilton Johor Bahru, No. 12, Jalan Ngee Heng, 80000 Johor Bahru, Johor Darul Takzim, Malaysia on Monday, 28 September 2020 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following Ordinary Resolutions :-

### ORDINARY BUSINESS

- To lay before the meeting the Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2020 together with the Reports of the Directors and Auditors thereon.
- To re-elect the following Directors who retire during the year in accordance with the Company's Constitution and being eligible, offer themselves for re-election:
  - Dato' Sri Edwin Tan Pei Seng - Article 93
  - Dato' Sri Godwin Tan Pei Poh - Article 93
- To approve the payment of the Non-Executive Directors' Fees and Benefits not exceeding RM 400,000 for the financial year ending 31 March 2021.
- To appoint Auditors and to authorise the Directors to determine their remuneration.

**Please refer Explanatory Note A**

**ORDINARY RESOLUTION 1**  
**ORDINARY RESOLUTION 2**  
**ORDINARY RESOLUTION 3**  
**ORDINARY RESOLUTION 4**

Special notice pursuant to Sections 280 (2) (b) (ii) and 322 of Companies Act 2016, a copy of which is annexed hereto and marked "Annexure A", has been received by the Company to propose the following Ordinary Resolution:-  
**THAT** Messrs BDO PLT, be and are hereby appointed as auditors of the Company in place of the outgoing auditors, Messrs PCCO PLT to hold office until the conclusion of the next Annual General Meeting at remuneration to be determined by the Directors.

### SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions:-

- AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75(1) AND 76(1) OF THE COMPANIES ACT 2016**  
**"THAT** subject always to the Act, the Constitution of the Company and the approvals of Bursa Malaysia Securities Berhad (Bursa Securities) and the relevant regulatory authorities where such approval is necessary and the passing of the Special Resolution 1 as contained herein in respect of the alteration of the Constitution of the Company, the Directors be and are hereby empowered, pursuant to Sections 75 (1) and 76 (1) of the Act, to issue shares of the Company at any time until the conclusion of the next Annual General Meeting (AGM) or any adjournment thereof 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 does not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) at the time of issue.  
**AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities **AND THAT** such authority conferred by this ordinary resolution shall commence upon passing this ordinary resolution until:  
(a) the conclusion of the annual general meeting held next after the approval was given; or  
(b) the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever occurs first."

**ORDINARY RESOLUTION 5**

- PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (Proposed Renewal Shareholders' Mandate)**  
**"THAT** approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties mentioned under section 2.4.1 of the Circular to Shareholders dated 24 August 2020 which are necessary in the course of business of the Company and/or its subsidiaries for day-to-day operations and on normal commercial terms which are not more favourable to the related parties than those available to the public and not detrimental to the minority shareholders of the Company and such approval shall continue to be in force until:-  
(a) the conclusion of the next Annual General Meeting of the Company at which such Proposed Renewal Shareholders' Mandate is passed, at which time will lapse, unless by ordinary resolution passed at the Annual General Meeting whereby the authority is renewed, either unconditionally or subject to conditions; or  
(b) the expiration of the period within the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016, (the Act) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or  
(c) revoked or varied by resolution passed by the shareholders in general meeting, whichever is earlier."

**ORDINARY RESOLUTION 6**

- PROPOSED AMENDMENT TO THE COMPANY'S CONSTITUTION**  
**"THAT** the proposed alterations to the Constitution of the Company (**Proposed Alterations**) as per Annexure B be and are hereby approved and adopted with immediate effect.  
**AND THAT** the Directors of the Company be and are hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed Amendments with full powers to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities."
- To transact any other business appropriate to an Annual General Meeting, due notice of which shall have been previously given in accordance with the Companies Act 2016 and the Company's Constitution.

**SPECIAL RESOLUTION 1**

### BY ORDER OF THE BOARD

**LEONG SIEW FOONG, MAICSA No. 7007572 (CCM PC No.: 202008001117)**  
**SANTHI A/P SAMINATHAN, MAICSA No. 7069709 (CCM PC No.: 201908002933)**  
Company Secretaries

Johor Bahru  
24 August 2020

### Notes:

- A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy or Proxies to attend and vote on his/her behalf. Each Member entitled to vote may vote in person or by proxy or by attorney or by representative and on a show of hands every person present who is a Member or a proxy or an attorney or a representative of a Member shall have one (1) vote, and on a poll every member present in person or by proxy or by attorney or by representative shall have one (1) vote for every such share he holds.
- Where a Member entitled to vote on a resolution has appointed more than one (1) proxy, the proxies shall only be entitled to vote on poll provided that the Member specifies the proportion of his shareholdings to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing or if the Member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.
- Where a Member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (SICDA) which holds ordinary shares in the Company for Omnibus Account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Accounts it holds. Where a Member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- Every Member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him at the meeting of Members and that such proxy need not be a Member.
- The Proxy Form shall be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinci, 59200 Kuala Lumpur or at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinci, 59200 Kuala Lumpur. In the case of electronic appointment, the proxy form must be deposited via TIH Online website at <https://tih.online>. Please refer to the Administrative Guide for further information on electronic submission. All proxy form submitted must be received by the Company not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

### ORDINARY BUSINESS:-

**Audited Financial Statements for financial year ended 31 March 2020- Explanatory Note A**

- This Agenda item is meant for discussion only as the audited financial statements do not require formal approval of shareholders pursuant to 340 (1)(a) of the Companies Act 2016. Hence, the matter will not be put for voting.

### Re-election of Directors who retire in accordance with Article 93 and Article 99 of the Company's Constitution

- Article 93 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company while for the Article 99 provides that the Board shall have the power to appoint any person to be a Director to fill a casual vacancy or as an addition to the existing Board, and that any Director so appointed shall hold office until the next following AGM and shall then be eligible for re-election.

With the current Board size of six (6), two (2) Directors are to retire in accordance with Article 93 of the Company's Constitution.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 73<sup>rd</sup> AGM, the Nomination Committee (NC) has considered the following:

- The assessment of the individual Director's level of contribution to the Board through each of their skills, experience and strength in qualities; and
- The level of independence demonstrated by each of the Non-Executive Directors (NEDs), and their ability to act in the best interests of the Company in decision-making, to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

In line with the Malaysian Code on Corporate Governance (MCCG),

the Board has conducted an assessment of independence of the NEDs, and also other criteria i.e. character, integrity, competence, experience and time commitment in effectively discharging their respective roles as Directors of the Company. The individual Directors were assessed based on performance criteria set in the areas of Board dynamics and participation, competency and capability, independence and objectivity, probity and personal integrity, contribution and performance together with their ability to make analytical inquiries and offer advice and guidance. Each of the NEDs has also provided his/her annual declaration/confirmation of independence is annually of 2020.

The Board accepted the NC's recommendation that the Directors who retire in accordance with Article 93 of the Company's Constitution are eligible to stand for re-election. All these retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board meeting.

### Directors' remuneration

- Ordinary Resolution 3, pursuant to Section 230(1) of the Companies Act 2016, the 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 Directors' Fees and Benefits payable to the Non-Executive Directors up to an amount of RM400,000 is for the period of 1 April 2020 to 31 March 2021.

### Directors' fees

- The Board decided that the NEDs' fees for financial year ended 31 March 2020 be maintained as the previous financial year subject to the performance of the Company and the current global economy. The detailed NEDs' fees are contained in page 38 of Corporate Governance Overview Statement.

### Directors' remuneration (excluding Directors' fees)

- The Directors' remuneration (excluding Directors' fees) comprises the allowances and other emoluments payable to NEDs. Benefits are reimbursed NEDs' travelling expenses to attend meetings of the Company. In addition, benefits comprise meeting allowances that are payable to all the NEDs. Payment of benefits to the NEDs will be made by the Company as and when incurred, after they have discharged their responsibilities and rendered their services to the Company, if the proposed Ordinary Resolution 3 is passed at the forthcoming Annual General Meeting.

The Board is of the view that it is just and equitable for the Directors to be paid the Directors' benefits (excluding Directors' fees) as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company in the respective financial year.

### Appointment of Auditors

- Pursuant to Section 273(b) of the Act, the term of office of the present Auditors, Messrs PCCO PLT, shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office. Messrs PCCO PLT, have indicated that they do not wish to seek for re-appointment as auditors of the Company. The Notice of Nomination from a Member, Paragon Adventure Sdn. Bhd., and a copy of which is annexed hereto, has been received by the Company for the nomination of Messrs BDO PLT who have given their consent to act, for appointment as Auditors.

This proposed Ordinary Resolution 4, if passed, will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.

### Authority to Allot and Issue Shares Pursuant to Sections 75(1) and 76(1) of the Companies Act 2016

- The Ordinary Resolution 5 proposed under item 5 of the Agenda, is to seek a general mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Act.
- The Company had at its Seventy-Second (72<sup>nd</sup>) Annual General Meeting held on 12 September 2019, obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, at any time, 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 does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares) at any point of time ("10% General Mandate").

As at the date of this Notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the 72<sup>nd</sup> Annual General Meeting held on 12 September 2019 and

which will lapse at the conclusion of the Seventy-Third (73<sup>rd</sup>) Annual General Meeting.

Due to the pandemic COVID-19 and Movement Control Order (MCO), Bursa Securities has via their letter dated 16 April 2020 granted several Additional Temporary Relief Measures to listed corporations of COVID-19, 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). However, the Company's Constitution has restricted the mandate to 10% of the total number of issued shares that it could issue and therefore this relief will not be available to the Company unless the Constitution is amended.

Subject to the passing of the special resolution on the alteration of the Constitution, the proposed Ordinary Resolution 5, if passed, will empower the Directors from the conclusion of this AGM, to allot and issue up to a maximum of 20% of the total number of issued shares of the Company (excluding treasury shares) at the time of issue (other than bonus or rights issue) without the need to convene a general meeting and for such purposes as they consider would be in the best interest of the Company.

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, pursuant to Section 76(4) of the Act, from its shareholders at the Seventy-Third (73<sup>rd</sup>) Annual General Meeting 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 provide 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 projects), working capital and/or acquisitions.

The 20% General Mandate, unless revoked or varies by the Company in general meeting, will expire at the conclusion of the next annual general meeting of the Company.

### Proposed Renewal Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Proposed Renewal Shareholders' Mandate)

- The Proposed Renewal Shareholders' Mandate under Ordinary Resolution 6 is seeking for shareholders' approval at the forthcoming Annual General Meeting of the Company.

The Proposed Renewal Shareholders' Mandate is to facilitate transactions in the normal course of business of the Company and its subsidiaries (the Group) which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm's length basis and on the Group's normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

By obtaining the shareholders' mandate on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

Further information on Proposed Renewal Shareholders' Mandate is set out in the Circular to Shareholders of the Company which is published on the Company website at <https://pbggroup.com.my/>.

### Proposed Amendment to the Company's Constitution

- The Proposed Amendment to the Company's Constitution are to be in line with the Bursa Malaysia Securities Malaysia's directive which allows public listed companies to utilise 20% General Mandate as well as other administration regulation arising from the Movement Control Order due to Covid-19 pandemic.

The Board is of the opinion that the proposed alteration, if approved, will be in the best interest of the Company as well as its shareholders as it gives the Company the flexibility to raise funds and/or issue new shares as part or full payment consideration for any viable and feasible acquisition quickly and in a more cost effective manner. The rest of the alteration is to enable the Company to comply with various authorities' laws effectively.