



GADANG HOLDINGS BERHAD
Registration No. 199301023376 (278114-K)
(Incorporated in Malaysia)

NOTICE OF 27TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh (27th) Annual General Meeting (AGM) of Gadang Holdings Berhad (the Company) will be held at Ballroom 3, First Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 11 November 2020 at 10.00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

- To receive the Audited Financial Statements of the Company for the financial year ended 31 May 2020 together with the Reports of the Directors and Auditors thereon.
Please refer to Explanatory Note A
- To approve the payment of a first and final dividend of 1.0 sen per share in respect of the financial year ended 31 May 2020. *(Ordinary Resolution 1)*
- To approve the payment of Directors' fees of up to RM300,000 for the financial year ending 31 May 2021, to be made payable quarterly.
Please refer to Explanatory Note B *(Ordinary Resolution 2)*
- To approve the payment of benefits payable to the Non-Executive Directors of the Company up to an amount of RM150,000 from 12 November 2020 until the next Annual General Meeting of the Company.
Please refer to Explanatory Note B *(Ordinary Resolution 3)*
- To re-elect the following Directors who retire pursuant to Clause 108 of the Company's Constitution and being eligible, have offered themselves for re-election:-
(a) Mr Boey Tak Kong *(Ordinary Resolution 4)*
(b) Ms Kok Pei Ling *(Ordinary Resolution 5)*
Please refer to Explanatory Note C
- To re-appoint Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 May 2021 and to authorize the Directors to fix their remuneration.
Please refer to Explanatory Note D *(Ordinary Resolution 6)*

AS SPECIAL BUSINESS

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

- Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**
"THAT, pursuant to Sections 75 and 76 of the Companies Act, 2016, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting 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 issued shares of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad, subject always to the approvals of the relevant regulatory authorities."
Please refer to Explanatory Note E *(Ordinary Resolution 7)*
- Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature**
"THAT, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries ("Gadang Group") to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.4 of the Circular to Shareholders dated 29 September 2020 ("Circular") with the related party listed in Section 2.3 of the Circular which transactions are necessary for the day-to-day operations, in the ordinary course of business of Gadang Group on terms which are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders;
THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:
(a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless renewed by a resolution passed at that meeting;
(b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("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 of the Company in a general meeting;
whichever is the earlier;
AND THAT, the Directors and/or any of them be and are hereby authorized to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorized by this resolution."
Please refer to Explanatory Note F *(Ordinary Resolution 8)*
- Retention of Mr Boey Tak Kong as Independent Director**
"THAT, subject to the passing of Ordinary Resolution 4, approval be and is hereby given to Mr Boey Tak Kong, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to act as an Independent Director of the Company until the conclusion of the next Annual General Meeting".
Please refer to Explanatory Note G *(Ordinary Resolution 9)*
- To transact any other business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT the first and final dividend of 1.0 sen per share, for the financial year ended 31 May 2020, if approved by the shareholders at the 27th Annual General Meeting, will be paid on 10 December 2020 to Depositors whose names appear in the Record of Depositors at the close of business on 20 November 2020.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

- shares transferred into the Depositor's Securities Account before 4.30 p.m. on 20 November 2020 in respect of transfers; and
- shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

TAN SEOK CHUNG, SALLY
(SSM PC No. 202008001386 & MAICSA 0829689)
Company Secretary

Kuala Lumpur
29 September 2020

NOTES ON APPOINTMENT OF PROXY AND ENTITLEMENT OF ATTENDANCE

- A member entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. Where a member appoints two (2) proxies, the appointment shall be invalid unless he 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 appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorized.
- Where a member of the Company is an exempt authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991 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 authorized nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur; or alternatively, by electronic submission via TIH Online website at <https://tjh.online> (applicable to individual members only) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting. Please follow the procedures in the Administrative Notes for the AGM if the members wish to submit the instrument appointing a proxy electronically.
- In respect of deposited securities, only members whose names appear in the Record of Depositors as at 4 November 2020 (General Meeting Record of Depositors), shall be entitled to attend the meeting or appoint proxy(ies) to attend and/or vote on their behalf.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice shall be put to vote by way of poll.

EXPLANATORY NOTES

- Audited Financial Statements for the financial year ended 31 May 2020**
The audited financial statements are for discussion only under Agenda 1, as it does not require shareholders' approval under the provision of Section 340(1)(a) of the Companies Act, 2016. Hence, it will not be put for voting.
- Ordinary Resolutions 2 and 3 – Directors' Fees and Benefits**
Pursuant to Section 230(1) of the Companies Act 2016, the fees and benefits payable to the directors of a listed company and its subsidiaries shall be approved at the general meeting.
The proposed Ordinary Resolution 2, if passed, will authorize the payment of Directors' fees to the Non-Executive Directors ("NEDs") of the Company on a quarterly basis. The quantum of the Directors' fees proposed of up to RM300,000 for the NEDs is based on the current NEDs' fees structure and including a fee provision for a new NED who may be appointed during the financial year ending 31 May 2021.
The proposed Ordinary Resolution 3, if passed, will authorize the payment of Directors' benefits to the NEDs by the Company. The Directors' benefits of RM150,000 for the period from 12 November 2020 until the next AGM in year 2021 are derived from the estimated meeting attendance allowance based on the number of scheduled meetings and unscheduled meetings (when necessary) for Board, Board Committees and general meetings as well as the number of NEDs involved in the meetings and leave passage claims of the NEDs. The meeting attendance allowance for a NED is RM1,000 per meeting. The leave passage claim for a NED is RM15,000 per annum.
- Ordinary Resolutions 4 and 5 – Re-election of Directors**
Clause 108 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 each AGM of the Company. All the Directors shall retire from office once at least in every three (3) years but shall be eligible for re-election. Mr Boey Tak Kong and Ms Kok Pei Ling are standing for re-election as Directors and being eligible, have offered themselves for re-election.
Based on the annual Board Evaluation, the Nomination & Remuneration Committee and the Board are of the view that the said Directors have met the Board's expectation in terms of skills, experience, strengths and qualities and the ability to act in the best interest of the Company.
The Board has therefore recommended the re-election of the said Directors. The profile of the retiring Directors is set out in the Profile of Directors in the Annual Report 2020.
- Ordinary Resolution 6 – Re-appointment of Auditors**
The Board, through the Audit Committee, had reviewed and was satisfied with the performance and independence of Crowe Malaysia PLT during the financial year under review. The Board has therefore recommended the re-appointment of Crowe Malaysia PLT as external auditors of the Company for the financial year ending 31 May 2021.
- Ordinary Resolution 7 – Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016**
The proposed Ordinary Resolution 7 is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Companies Act, 2016, obtained from the shareholders at the last AGM. The resolution, if passed, will empower the Directors of the Company to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued does not exceed 10% of the issued shares of the Company for the time being. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.
As at the date of this Notice, no new shares of the Company were issued pursuant to the mandate granted at the last AGM held on 6 November 2019 of which will lapse at the conclusion of this AGM. This 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 future investment project(s), working capital and/or acquisition(s) and thereby reducing administrative time and costs associated with the convening of additional shareholders meeting(s).
- Ordinary Resolution 8 – Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature**
The proposed Ordinary Resolution 8 is in relation to the approval of Shareholders' Mandate for Recurrent Related Party Transactions and if passed, will empower the Company and its subsidiaries ("Gadang Group") to enter into recurrent related party transactions of a revenue or trading nature which are necessary for Gadang Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on terms which are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders of the Company.
The details relating to Ordinary Resolution 8 are set out in the Circular to Shareholders dated 29 September 2020.
- Ordinary Resolution 9 – Retention of Mr Boey Tak Kong as Independent Director**
The proposed Ordinary Resolution 9 is in relation to the independence of Mr Boey Tak Kong, who has served as Independent Director for a cumulative term of more than twelve (12) years, and recommended him to continue to act as Independent Director of the Company, through a two-tier voting process, based on the following justifications:-
(a) He has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and thus, he would be able to provide check and balance and bring an element of objectivity to the Board.
(b) His broad-based experience in the financial management, internal audit and corporate affairs has been contributing to the Group in matters of internal control and risk management.
(c) Having been with the Company for more than twelve (12) years, he is familiar with the Group's business goals and has devoted sufficient time to discharge his statutory duty and fiduciary responsibility.
(d) He has exercised due care during his tenure as Independent Non-Executive Director of the Company and has carried out his professional duty in the interest of the Company and shareholders.
The Ordinary Resolution 9, if passed, will authorise Mr Boey Tak Kong to continue to act as Independent Director of the Company until the conclusion of the next AGM.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

- There are no individuals who are standing for election as Directors at the 27th Annual General Meeting of the Company.
- Details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016 are set out in Explanatory Note E of the Notice of this meeting.