



PAOS HOLDINGS BERHAD

[Registration No. 199701037036 (452536-W)] (Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty Third Annual General Meeting of the Company will be held at BEST WESTERN i-City Shah Alam, A-GF-01, No. 8, Persiaran Multimedia, CityPark, i-City, 40000 Shah Alam, Selangor Darul Ehsan on 27 November 2020, Friday at 10.30 a.m.

AGENDA

ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 May 2020 together with the Directors' and Auditors' Reports thereon. (Please refer to Explanatory Note (a))
- To approve the payment of Directors' Fees of RM179,000.00 in respect of the financial year ended 31 May 2020. (Ordinary Resolution 1)
- To approve the payment of Directors' benefits to the Directors up to an amount of RM60,000.00 for the period commencing from 28 November 2020 up to the next Annual General Meeting of the Company. (Ordinary Resolution 2)
- To re-elect the following Directors who retire in accordance with Article 109 of the Company's Constitution:-
 - Mr. Lim Zhen Qi (Ordinary Resolution 3)
 - Mr. Yap Min Lee (Ordinary Resolution 4)
- To re-appoint Messrs. KPMG PLT (LLP0010081-LCA & AF 0758) as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. (Ordinary Resolution 5)

SPECIAL BUSINESS

- To consider and if thought fit, to pass the following resolutions:-
 - Ordinary Resolution - Authority To Directors To Issue Shares**

"THAT subject always to the Constitution of the Company, the Companies Act 2016 ("Act"), the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, 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 20% of the total number of issued shares of the Company at any point of time AND THAT the Directors be and 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 shall continue in force until the conclusion of the next Annual General Meeting." (Ordinary Resolution 6)
 - Ordinary Resolution - Continuing In Office of Mr. Lim Poh Seong as Independent Non-Executive Director**

"THAT authority be and is hereby given to Mr. Lim Poh Seong, 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 until the conclusion of the next Annual General Meeting." (Ordinary Resolution 7)
 - Ordinary Resolution - Continuing In Office of Mr. Yap Min Lee as Independent Non-Executive Director**

"THAT subject to the passing of Ordinary Resolution 4, authority be and is hereby given to Mr. Yap Min Lee, 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 until the conclusion of the next Annual General Meeting." (Ordinary Resolution 8)
 - Special Resolution - Proposed Amendment to the Constitution of the Company**

"THAT the proposed amendment to the Constitution of the Company as set out below, be and is hereby 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:-

Existing Article 100- Deposit of instrument of proxy

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power or authority, shall be deposited at the Office or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default, the instrument of proxy shall not be treated as valid.

Proposed Article 100- Deposit of instrument of proxy

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power or authority, shall be deposited at the Office or at such other place within Malaysia or by way of electronic means or in such other manner as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default, the instrument of proxy shall not be treated as valid. (Special Resolution 1)
- To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

HO MENG CHAN (MICS 00574)

SSM PC No. 202008003175

WU SIEW HONG (MAICSA 7039647)

SSM PC No. 202008002457

Company Secretaries

Petaling Jaya
Selangor Darul Ehsan
29 September 2020

Notes :-

- A member of the Company entitled to attend and vote at the meeting shall be entitled to appoint more than one (1) proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.
- The instrument appointing a proxy, in the case of an individual, shall be signed by the appointor or by his/her attorney duly authorised in writing, and in the case of a corporation, shall either be given under its common seal or under the hand of an officer or attorney of the corporation duly authorised.
- Where a member of a Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 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.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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 and the power of attorney or other authority duly authorised in writing or if such appointor is a Corporation, under its common seal or under the hand of an officer or attorney of the Corporation duly authorised, shall be deposited at the registered office at 308, Block A (3rd Floor), Kelana Business Centre, 97, Jalan SS7/2, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting.
- Depositors who appear in the Record of Depositors as at 20 November 2020 shall be regarded as Member of the Company entitled to attend the Twenty Third Annual General Meeting or appoint a proxy or proxies to attend and vote on his/her behalf.

EXPLANATORY NOTES

- Audited Financial Statements**

This Agenda item is meant for discussion only, as the provision of Section 340(1) of the Companies Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
- Ordinary Resolution 2 - Directors' benefits payable**

The proposed Directors' benefits payable comprises allowances and other benefits.

The total estimated amount of Directors' benefits payable is calculated based on the estimated number of Board's and Board Committees' meetings for the period from 28 November 2020 until the next Annual General Meeting and the provision for other benefits (if any). This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.
- Ordinary Resolution 6 - Authority To Directors To Issue Shares**

The Company had at its Twenty Second Annual General Meeting held on 22 November 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 up to and not exceeding 10% of the issued share capital of the Company for such purposes as they consider would be in the interest of the Company. This 10% General Mandate will expire at the conclusion of the Twenty Third Annual General Meeting. As at the date of this Notice, no new shares in the Company were issued and allotted pursuant to this General Mandate.

The proposed Ordinary Resolution 6 under item 6 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, to issue and allot ordinary shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 20% of the total number of issued shares of the Company at any point of time ("20% General Mandate").

This 20% General Mandate, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

In view of the challenging times due to the Covid-19 pandemic, Bursa Securities had on 16 April 2020 introduced this 20% General Mandate as an interim relief measure to allow a listed issuer to seek a higher general mandate under Paragraph 6.03 of the Listing Requirements of Bursa Securities of not more than 20% of the total number of issued shares for issue of new securities.

With this 20% General Mandate, the Company will be able to raise funds for the purpose of funding future investment, working capital and/or acquisitions. 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 shareholders.
- Ordinary Resolution 7 & Ordinary Resolution 8**

- Continuing In Office As Independent Non-Executive Director

The proposed Ordinary Resolution 7 and Ordinary Resolution 8, both under item 6, if passed, will enable Mr. Lim Poh Seong and Mr. Yap Min Lee, who have served for more than nine (9) years to be retained and continue to act as Independent Directors of the Company to fulfil the requirements of paragraph 15.02 of the Listing Requirements of Bursa Securities and to be in line with practice 4.2 of the Malaysian Code on Corporate Governance 2017. The details of justifications are set out in the Corporate Governance Overview Statement in the Company's Annual Report for the financial year ended 31 May 2020.
- Special Resolution 1 - Proposed Amendment to the Constitution of the Company**

The Special Resolution 1 under item 6, if passed, will enhance the administrative efficiency in handling the Proxy Form.