



## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 26th Annual General Meeting of Chuan Huat Resources Berhad will be held on a fully virtual basis and entirely via remote participation and voting from Broadcast Venue at Wisma Pineapple, 2nd Floor, Lot 135 Jalan 1/89B, 3/5 Mile Off Jalan Sungai Besi, 57100 Kuala Lumpur on Wednesday 2 December 2020 at 2:00 p.m. for the following purposes:

### AGENDA

#### AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial period ended 30 June 2020 together with the Reports of the Directors and Auditors thereon.
- To approve the payment of Directors' fees of RM401,511 for the financial period from 1 January 2019 to 30 June 2020 (2018: RM260,300).
- To approve the payment of Directors' fees and benefits payable to the Directors of the Company of up to RM445,000 from 1 July 2020 until the next Annual General Meeting of the Company.
- To re-elect the following Directors who retire by rotation in accordance with Article 94 of the Company's Constitution, and being eligible, have offered themselves for re-election:
  - Lim Kah Poon
  - Chow Foong Yew
  - Nicholas Lim Kean Hoong
- To re-appoint Messrs Folks DFK & Co. as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

Please refer to Explanatory Note A

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3

Ordinary Resolution 4

Ordinary Resolution 5

Ordinary Resolution 6

#### AS SPECIAL BUSINESS

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

#### ORDINARY RESOLUTION

#### AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("THE ACT")

"THAT subject always to the Constitution of the Company, the Act, the Main Market Listing Requirements ("MMLR") 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 the Act, to allot and issue shares in the Company, from time to time, at such price, upon such terms and conditions and for such purpose and to such person or persons whomsoever 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 ten per centum (10%) of the total number of issued shares of the Company for the time being AND THAT the Directors be also empowered to obtain the approval for the listing of and quotation for the additional shares so issued from Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting ("AGM") of the Company."

Ordinary Resolution 7

#### ORDINARY RESOLUTION

#### PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT subject always to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given to the Company's subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties ("Recurrent Related Party Transactions") as set out in Paragraph 3.3 of the Circular to Shareholders dated 30 October 2020, which are entered into in the ordinary course of business which are necessary for the day-to-day operations and are on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public, and not to the detriment of minority shareholders of the Company for:

Ordinary Resolution 8

- Recurrent Related Party Transactions entered into by either of BMI, CHIM, CHM, CHR, CHRB BM, CHRS SM, CHS and Keyline with one another.

THAT the shareholders' mandate is subject to annual renewal and approval of this mandate shall continue to be in force until:

- the conclusion of the next AGM of the Company at which the ordinary resolution is passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts, deeds and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution."

Ordinary Resolution 9

#### ORDINARY RESOLUTION

#### APPROVAL TO CONTINUE IN OFFICE AS INDEPENDENT DIRECTOR

- Dali Kumar @ Dali bin Sardar

"THAT pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance 2017 ("MCCG 2017"), Dali Kumar @ Dali bin Sardar who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years since 15 July 1999, be and is hereby retained as the Independent Non-Executive Director of the Company until the conclusion of the next AGM."

- To transact any other ordinary business of which due notice shall have been given.

#### BY ORDER OF THE BOARD

Foo Siew Loon

(MAICSA 7006874)  
(SSM PC No. 202008002104)

Company Secretary

Kuala Lumpur

30 October 2020

#### Notes to the Notice of 26th AGM

- A member of the Company entitled to attend, participate, speak and vote at this meeting is entitled to appoint more than one (1) proxy to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under its common seal or under the hand of its attorney or an officer duly authorised.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("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.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for the 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 the omnibus account it holds.
- To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, must be deposited at the Share Registrar's Office at Lot 9-7 Menara Sentral Vista, No. 150 Jalan Sultan Abdul Samad Brickfields 50470 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjourned meeting as the case may be, at which the person named in the instrument proposes to vote, and 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. Alternatively, you may choose to submit the proxy appointment electronically via email to agm@chuanhuat.com.my before the Proxy Form submission cut-off time as mentioned above.
- For the purpose of determining a member who shall be entitled to attend the 26th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 67 of the Company's Constitution to issue a General Meeting Record of Depositors as at 23 November 2020. Only members whose name appear in the General Meeting Record of Depositors as at 23 November 2020 shall be regarded as members and entitled to attend, participate, speak and vote at the AGM.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of the 26th AGM will be put to vote by way of poll.

#### Explanatory Notes:

- Agenda 1**  
Agenda 1 is meant for discussion only as the provision of Section 340(1)(a) of the Act, does not require a formal approval of the members for the Audited Financial Statement and hence, will not be put forward for voting.
- Ordinary Resolutions 1 and 2**  
Section 230(1) of the Act provides amongst others, that Directors' fees and any benefits payable to the Directors of the listed company shall be approved by the shareholders at a general meeting. In this respect, the Board wishes to seek shareholders' approval for the following payments to Directors at the 26th AGM in two (2) separate resolutions as below:
  - Ordinary Resolution 1 on payment of Directors' fees of RM401,511 for the financial period from 1 January 2019 to 30 June 2020; and
  - Ordinary Resolution 2 on payment of Directors' fees and benefits payable to the Directors of up to RM445,000 from 1 July 2020 until the next AGM.
 For Ordinary Resolution 2, the estimated Directors' fees and benefits proposed are calculated based on the current Board size and number of scheduled Board and Board Committee meetings to be held. This resolution is to facilitate the payment of Directors' fees and benefits on current financial year basis. In the event of the proposed amount is insufficient due to more meetings or enlarged Board size, approval will be sought at the next AGM for the shortfall.
- Ordinary Resolutions 3, 4 and 5**  
The Board of Directors ("Board") had wide the Nomination and Remuneration Committee of the Company assessed the performance and contributions of Lim Kah Poon, Chow Foong Yew and Nicholas Lim Kean Hoong respectively and recommended their re-appointment. The Board has endorsed the Nomination and Remuneration Committee's recommendation that they be re-appointed as Directors of the Company.
- Ordinary Resolution 6**  
The Audit and Risk Management Committee undertook an annual assessment of the suitability and independence of Messrs Folks DFK & Co., the independent Auditors. In the assessment, the Audit and Risk Management Committee considered several factors, amongst others, the following:
  - their performance and quality of work;
  - experience and competency of professional staff assigned to the audit;
  - adequacy of resources;
  - independence;
  - level of non-audit services rendered to the Group.
 The Audit and Risk Management Committee is satisfied with the quality of services rendered by Messrs Folks DFK & Co. in term of quality of audit, performance, competency and sufficiency of resources and recommended to the Board to seek the approval of shareholders at the 26th AGM. The Board has approved the Audit and Risk Management Committee's recommendation.
- Ordinary Resolution 7**  
The Ordinary Resolution 7 is a renewal mandate of the previous general mandate obtained from the shareholders at the 25th AGM held on 30 May 2019, which is expiring at the conclusion of the 26th AGM. This resolution, if passed, will avoid any delay and cost involved in convening a general meeting and will empower the Directors to issue up to 10% of the total number of issued shares of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.  
As at the date of this Notice, the Directors have not utilised the mandate granted to the Directors at the last AGM held on 30 May 2019 and the said mandate will lapse at the conclusion of the 26th AGM.  
The renewal of this mandate will provide flexibility to the Company to undertake any possible fundraising activities, including but not limited to further placing of shares, for purpose of funding current and/or future investment project(s), working capital and/or acquisitions at any time to such persons in their absolute discretion without convening a general meeting.
- Ordinary Resolution 8**  
The Proposed Renewal of Existing Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions, if passed, will allow the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a revenue or trading nature which are necessary for the day-to-day operations which shall expire at the next AGM.  
The class of Related Parties, the nature of the transactions, the rationale and the methods of determining the transaction prices with the Related Parties, are detailed in the Circular to Shareholders dated 30 October 2020.
- Ordinary Resolution 9**  
The proposed resolution on Approval for Dali Kumar @ Dali bin Sardar to continue in office as an Independent Director, if passed, will enable Dali Kumar @ Dali bin Sardar to continue office as an Independent Non-Executive Director of the Company.  
Practice 4.2 of the MCCG 2017 provides that approval of shareholders be sought in the event that the Company would like an independent director who has served in that capacity for more than twelve (12) years to continue in office as an independent director.  
Pursuant to the MCCG 2017, the Company would apply the two-tier voting process in seeking shareholders' approval to retain Independent Director beyond twelve (12) years of tenure.  
The Board recognised that independence should not be determined solely based on tenure of service. There are significant advantages to be gained from the long-serving directors who possess tremendous insight and knowledge of the Group's business operations and affairs. The ability of a director to serve effectively as an independent non-executive director is very much depended on his calibre, qualification, experience, personal qualities, integrity and objectivity in discharging his responsibilities in the best interest of the Company and the minority shareholders.  
The Board had wide the Nomination and Remuneration Committee, assessed the performance and independence of Dali Kumar @ Dali bin Sardar, who has served the Board as an Independent Non-Executive Director for more than twelve (12) years and determined that he shall remain objective and continue to bring independence and of objective judgement, based on the following justifications:
  - He met the independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Securities and is able to bring independent and objective judgement to the Board.
  - He has been with the Company for twenty-one (21) years and understands the Group's business operations which enable him to participate actively in deliberations/discussions at the Audit and Risk Management Committee, Nomination and Remuneration Committee and Board Meetings.
  - He has contributed sufficient time and efforts in his capacity as an Independent Non-Executive Director. He has attended all the meetings of the Audit and Risk Management Committee, Nomination and Remuneration Committee and Board of Directors for informed and balanced decision making and providing an independent voice to the Board.
  - He challenged Management in an effective and constructive manner, providing a check and balance, and bringing independent and objective judgement to the Board's deliberation. He has performed his duties as an Independent Non-Executive Director without being subject to the influence of Management.
  - He has exercised due care during his tenure as the Independent Non-Executive Director and carried out his professional duty in the best interest of the Group and its shareholders.
  - He is free from any conflict of interest with the Company and does not hold any shares in the Company.
  - He has not established or maintained any significant personal or social relationship, whether direct or indirect with the Executive Directors or substantial shareholders and/or persons connected with them other than the normal engagements and interactions on professional level consistent with his duties and expected of him to carry out his duties as Independent Non-Executive Director.
 Thus, the Board has recommended that he continues to act as an Independent Director of the Company.

#### Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.