

# SAUDEE GROUP BERHAD

(Company No. 200801036832 (838172-P))

(Incorporated in Malaysia)

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twelfth Annual General Meeting of Saudee Group Berhad will be held at the Mahkota 4 Hall, The Jerai Hotel Sungai Petani, 427 Jalan Kolam Air, 08000 Sungai Petani, Kedah on Monday, 21 December 2020 at 9.00 a.m. for the following purposes :-

### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 July 2020 together with the Reports of the Directors and Auditors thereon. (Please refer to Note 1)
2. To consider and, if thought fit, to pass with or without modifications the following resolutions as Ordinary Resolutions :-
  - (a) "THAT Ms. Koay San San, who retires pursuant to Clause 102(1) and (2) of the Company's Constitution, be and is hereby re-elected as a Director of the Company." Ordinary Resolution 1
  - (b) "THAT Mr. Mak Siew Wei, who retires pursuant to Clause 107(2) of the Company's Constitution, be and is hereby re-elected as a Director of the Company." Ordinary Resolution 2
  - (c) "THAT Datuk Chong Loong Men, who retires pursuant to Clause 107(2) of the Company's Constitution, be and is hereby re-elected as a Director of the Company." Ordinary Resolution 3
  - (d) "THAT Mr. Chen Chee Peng, who retires pursuant to Clause 107(2) of the Company's Constitution, be and is hereby re-elected as a Director of the Company." Ordinary Resolution 4
3. To re-appoint Messrs Grant Thornton as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. Ordinary Resolution 5

### AS SPECIAL BUSINESS

- To consider and, if thought fit, to pass with or without modifications the following resolutions as Ordinary Resolutions:-
4. To approve the payment of Directors' fees of not exceeding RM250,000.00 (FY2020:RM250,000.00) to Directors of the Company for the financial year ending 31 July 2021. Ordinary Resolution 6
  5. To approve the payment of benefits of not exceeding RM36,000.00 to Directors of the Company from 22 December 2020 until the next Annual General Meeting of the Company. Ordinary Resolution 7
  6. **Continuation in Office as an Independent Non-Executive Director**
    - (a) "THAT authority be and is hereby given to Mr. Sim Yee Fuan 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." Ordinary Resolution 8
    7. **Proposed power to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**
      - (b) "THAT subject always to the Companies Act 2016 ("Act"), the Constitution of the Company and approvals of the relevant regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company from time to time at such price, 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 pursuant to this Resolution does not exceed 20% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier." Ordinary Resolution 9
    8. **Proposed Renewal of Authority to purchase its own shares**
      - (c) "THAT subject always to the Companies Act 2016, the provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other applicable laws, rules, regulations and guidelines for the time being in force, the Directors of the Company be and are hereby authorised to make purchase(s) of such amount of ordinary shares in the Company through Bursa Securities subject to the following:
        - (i) The aggregate of the shares which may be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares of the Company ("Shares");
        - (ii) The maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the total available retained profits of the Company based on its latest audited financial statements available up to the date of the transaction;
        - (iii) The authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:
          - (a) the conclusion of the next annual general meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
          - (b) the expiration of the period within which the next annual general meeting of the Company after that date is required by law to be held; or
          - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting, whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities or any other relevant authority; and
          - (iv) upon completion of the purchase(s) of the Shares by the Company, the Directors of the Company be and are hereby authorised to deal with the Shares in the following manner:
            - (a) cancel the Shares so purchased; or
            - (b) retain the Shares so purchased as treasury shares; or
            - (c) retain part of the Shares so purchased as treasury shares and cancel the remainder; or
            - (d) distribute the treasury shares as share dividends to shareholders; or
            - (e) resell the treasury shares on Bursa Securities; or
            - (f) transfer the treasury shares, or any of the shares for the purposes of or under an employees' share scheme; or transfer the treasury shares, or any of the shares as purchase consideration; orin any other manner as prescribed by the Act, rules, regulations and guidelines pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force;AND THAT the Directors of the Company be and are hereby authorized to take all steps as are necessary or expedient to implement or to effect the purchase(s) of the Shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto." Ordinary Resolution 10

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

- "That subject to the provisions of the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into and to give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as stated in Section 2.4 of the Circular to Shareholders dated 20 November 2020 ("Circular") provided that such transactions are undertaken in the ordinary course of business, on arm's length basis, on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the Company's minority shareholders.  
(the "Proposed Shareholders' Mandate").  
That such approval shall continue to be in force until:
  - (i) the conclusion of the next annual general meeting of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at the next annual general meeting; or
  - (ii) the expiration of the period within which 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 (but will not extend to such extension as may be allowed pursuant to Section 340(2) of the Act); or
  - (iii) revoked or varied by resolution passed by the shareholders in general meeting; whichever is the earlierAnd that, the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate." Ordinary Resolution 11

### 10. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

By order of the Board

Lim Kim Teck (MAICSA 7010844)

SSM PC No. 202008002059

Secretaries

Penang

Date : 20 November 2020

Adeline Tang Koon Ling (LS 0009611)

SSM PC No. 202008002271

### NOTES

1. **Audited Financial Statements for the financial year ended 31 July 2020**

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.
2. **Appointment of Proxy**
  1. A proxy may but need not be a member of the Company. There is no restriction as to the qualification of the proxy.
  2. A member shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting.
  3. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
  4. 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 the corporation's seal or under the hand of an officer or attorney duly authorized.
  5. Where a Member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account.
  6. Where a Member of the Company is an exempt authorized nominee as defined under the Central Depositories Act, 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.
  7. The instrument appointing a proxy must be deposited at Share Registrar's Office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or submitted by electronic means through TIIH online at <https://tiih.online> not less than twenty four (24) hours before the time appointed for holding the meeting or any adjournment thereof.
3. **General Meeting Record of Depositors**

Only a depositor whose name appears on the Record of Depositors of the Company as at 14 December 2020 shall be entitled to attend the Twelfth Annual General Meeting or appoint proxies to attend, speak and/or vote on his/her behalf.
4. **Ordinary Resolution No. 6 - Proposed payment of Directors' fees**

The proposed Ordinary Resolution 6 is to facilitate the payment of Directors fees on current year basis. In the event, the Directors' fees proposed is insufficient, the Board will seek the approval from the shareholders at the next Annual General Meeting for additional fees to meet the shortfall.
5. **Ordinary Resolution No. 7 - Proposed payment of Directors' benefits (excluding Directors' fees)**

The Directors' benefits (excluding Directors' fees) comprises the allowances and other benefits. The total estimated amount of Directors' benefits payable is calculated based on the number of scheduled Board and Board Committees meetings for the period from 22 December 2020 until the next Annual General Meeting. 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.
6. **Ordinary Resolution No. 8 - Continuation in Office as an Independent Non-Executive Director**

Pursuant to the Malaysian Code on Corporate Governance 2017, the Board is making a recommendation and will seek shareholders' approval to retain Sim Yee Fuan who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, as an Independent Non-Executive Director of the Company. Sim Yee Fuan has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Board is of the view that Sim Yee Fuan has performed his duties diligently and provided independent views in participating in deliberations and decision making of the Board and Board Committees. The length of his service on the Board does not in any way interfere with his duties as an Independent Non-Executive Director of the Company. The Board believes that with Sim Yee Fuan's expertise and broad experience together with his accumulative knowledge of the Group's business and operation provide the Board with a diverse set of experience and expertise which enhances the skills and experience profile of the Board.
7. **Ordinary Resolution No. 9 - Proposed power to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed Ordinary Resolution 9, if passed, will grant a renewed general mandate ("Renewed Mandate") and empower the Directors of the Company to issue and allot shares up to an amount not exceeding 20% (ten per centum) of the total number of issued shares of the Company from time to time and for such purposes as the Directors consider would be in the interest of the Company. The Renewed 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, capital expenditure, working capital and/or acquisitions. In order to avoid any delay and costs involved in convening a general meeting, it is considered appropriate to seek shareholders' approval for a Renewed Mandate. This Renewed Mandate unless revoked or varied by the Company in general meeting will expire at the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required to be held.
8. **Ordinary Resolution No. 10 - Proposed Renewal of Authority to purchase its own shares**

The proposed Ordinary Resolution 10, if passed, will give the authority to the Company to purchase its own shares up to 10% of the total number of issued shares of the Company. This authority, unless renewed or revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting after that date is required by the law to be held, whichever occurs first. Detailed information on the Proposed Renewal of Authority to purchase its own shares are set out in page 129 to 135 of the 2020 Annual Report.
9. **Ordinary Resolution No. 11 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The proposed Ordinary Resolution 11, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature pursuant to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This approval shall continue to be in force until the conclusion of the next annual general meeting of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at the next annual general meeting; or the expiration of the period within which 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 (but will not extend to such extension as may be allowed pursuant to Section 340(2) of the Act); or revoked or varied by resolution passed by the shareholders in general meeting; whichever is the earlier. Please refer to the Circular to Shareholders dated 20 November 2020 for further information.

As at the date of this notice, 14,637,000 new shares in the Company have been issued pursuant to the mandate granted to the Directors at the Eleventh Annual General Meeting held on 20 December 2019 which will lapse at the conclusion of the Twelfth Annual General Meeting. Bursa Malaysia Securities Berhad had vide its letter dated 16 April 2020 granted greater flexibility for listed issuers to raise fund quickly and efficiently through an increased general mandate limit for new issue of securities from the existing 10% to not more than 20% of the total number of issued shares (excluding treasury shares) ("20% General Mandate") to assist and support listed issuers in these trying and challenging times due to the Covid-19 pandemic. The Board of Directors is of the view that the 20% General Mandate is in the best interest of the Company and its shareholders as the authority will facilitate any possible fundraising activities, including but not limited to placement of shares for purpose of funding of working capital, capital expenditures, settlement of trade and non-trade creditors, repayment of banking facilities or as consideration for strategic investments.

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