

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting of PELANGI PUBLISHING GROUP BHD. will be held entirely on a virtual basis through live streaming and online remote voting from the Broadcast Venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Friday, 5 March 2021 at 11:30am to transact the following businesses:



Scan QR Code or visit <https://www.pelangipublishing.com/circulars-to-shareholders> to view the administration guide.

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 September 2020 together with the Directors' and Auditors' Reports thereon.
2. To approve the payment of Directors' fees amounting to RM174,500 for the financial year ending 30 September 2021. ORDINARY RESOLUTION 1
3. To approve the payment of Directors' benefits up to an amount of RM27,000 for the financial year ending 30 September 2021. ORDINARY RESOLUTION 2
4. To re-elect the following Directors retiring in accordance with the Company's Constitution:
 - a) Datuk Sum Kown Cheek – Article 134 ORDINARY RESOLUTION 3
 - b) Datin Dr. Norrizan binti Razali – Article 134 ORDINARY RESOLUTION 4
5. To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company and authorise the Directors to fix their remuneration. ORDINARY RESOLUTION 5

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass the following Resolutions:

AUTHORITY TO ALLOT SHARES – SECTION 75(1) and 76(1)

ORDINARY
RESOLUTION 6

“THAT pursuant to Section 75(1) and 76(1) of the Companies Act, 2016 and subject to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company from time to 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 issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

CONTINUATION OF TERMS OF OFFICE AS INDEPENDENT DIRECTOR

ORDINARY
RESOLUTION 7

“THAT the terms of office of Syahriza Binti Senan be remained as Independent Director of the Company in accordance with Malaysian Code On Corporate Governance.”

CONTINUATION OF TERMS OF OFFICE AS INDEPENDENT DIRECTOR

ORDINARY
RESOLUTION 8

“THAT the terms of office of Vincent Wong Soon Choy be remained as Independent Director of the Company in accordance with Malaysian Code On Corporate Governance.”

PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“Proposed RSM”)

ORDINARY
RESOLUTION 9

“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 2.1.2 of the Circular to Shareholders dated 15 January 2021 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 favorable 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 AGM of the Company following the forthcoming AGM at which such Proposed Renewal of The Existing Shareholders’ Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature was passed, at which time will lapse, unless by ordinary resolution passed at an AGM whereby the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act, 2016, (“Act”) (but must 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 a general meeting;

whichever is earlier.”

7. 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.

BY ORDER OF THE BOARD

LEONG SIEW FOONG, MAICSA No. 7007572 (CCM PC No.: 202008001117)
HUAN CHUAN SEN @ AH LOY (MACS 01519) (CCM PC. No.: 201908000132)
SANTHI A/P SAMINATHAN, MAICSA No. 7069709 (CCM PC No.: 201908002933)

Company Secretaries

Johor Bahru

Dated: 15 January 2021

NOTES:

- a) Every Member including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 (SICDA), and Exempt Authorised Nominees which holds ordinary shares in the Company for multiple owners in one securities account (Omnibus Account), 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 AGM, and that such proxy need not be a Member.
- b) Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting), the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
- c) 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 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 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.
- d) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its officer or attorney.
- e) The instrument appointing the proxy must be deposited at the Company’s Share Registrar, BOARDROOM SHARE REGISTRARS SDN BHD situated at 11th Floor, Menara Symphony No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya Selangor, Malaysia not less than forty-eight hours before the time appointed for holding the Meeting and any adjournment thereof.
- f) Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in the Notice of 19th AGM will be put to vote on a poll.

EXPLANATORY NOTES ON ORDINARY BUSINESS:

Audited Financial Statements for financial year ended 30 September 2020

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.

Directors’ remuneration

The Board recommended to shareholders for approval the following two (2) separate resolutions in accordance with Section 230 CA 2016:-

- Ordinary Resolution 1 on payment of Directors’ fees in respect of the financial year ending 30 September 2021; and
- Ordinary Resolution 2 on payment of Directors’ benefits in respect of the financial year ending 30 September 2021.

Directors’ fees

The Board decided that Directors’ fees for financial year ending 20 September 2021 increased as more meetings will be conducted hence more travelling are required.

Directors’ remuneration (excluding Directors’ fees)

The Directors’ remuneration (excluding Directors’ fees) comprises the allowances and other emoluments payable to Directors. Benefits of RM27,000 are to reimburse Directors’ travelling expenses to attend meetings of Company. Payment of benefits to the Directors will be made by the Company as and when incurred, after they have discharged their responsibilities and rendered their services to the Company of the Relevant Period, based on the proposed benefits, if the proposed Ordinary Resolutions 1 and 2 are passed at the forthcoming Annual General Meeting (“AGM”).

The benefits payable to the Directors (excluding Directors' Fees) comprises meeting allowances payable to all the Directors. 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 for the financial year ending 30 September 2021.

Any Executive Directors who are shareholders of the Company will abstain from voting on Ordinary Resolutions 1 and 2 concerning remuneration to the Directors at the 19th AGM.

Re-election of Directors who retire in accordance with Article 134 of the Company's Constitution ("Constitution")

Article 134 of the Constitution provides that at least one-third (1/3) of the Directors of the Company for the time being shall retire from office at each annual general meeting. Article 139 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 seven (7), two (2) Directors are to retire in accordance with Article 134 of the Constitution.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 19th AGM, the Nominating Committee ("NC") has considered the following:

- (1) The assessment of the individual Director's level of contribution to the Board through each of their skills, experience and strength in qualities; and
- (2) The level of independence demonstrated by each of the Independent Directors ("IDs"), 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 IDs, 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 IDs has also provided his/her annual declaration/confirmation of independence.

The Board accepted the NC's recommendation that the Directors who retire in accordance with Article 134 of the 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.

Any Director referred to in Ordinary Resolutions 3 and 4, who is a shareholder of the Company will abstain from voting on the resolution in respect of his re-election at the 19th AGM.

Appointment of Auditors

Pursuant to Section 273(b) of the Act, the term of office of the present Auditors, Messrs Grant Thornton Malaysia PLT, shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office. Messrs Grant Thornton Malaysia PLT, have indicated their willingness to continue their service until the conclusion of the 20th AGM. The re-appointment of GT as Auditors has been considered against the relevant criteria prescribed by Paragraph 15.21 of the MMLR by the Audit Committee (AC). The AC was satisfied with the suitability of GT on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group. The AC was also satisfied in its review that the provisions of non-audit services by GT to the Company for the FY 2020 did not in any way impair their objectivity and independence as external auditors of the Company. This proposed Ordinary Resolution 5, 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 6, if passed, is primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion without convening a general meeting. This is a renewal of a general mandate. The Company did not utilise the mandate granted in the preceding year's Annual General Meeting.

The authority will, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting.

The authority will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limiting to further placing of shares, for the purpose of funding future investment(s), acquisition(s) and/or working capital.

Continuation of terms of office as Independent Directors

Syahriza Binti Senan and Vincent Wong Soon Choy are Independent Directors of the Company who have served the Company for more than thirteen years and nine years respectively.

In line with the Malaysian Code on Corporate Governance, the Nomination Committee has assessed their independence as defined in Bursa Securities Listing Requirement which has not been compromised all these while. In fact, they exercise their judgment in an independent and unfettered manner, discharge their duties with reasonable care, skill and diligent; bringing independent thought and experience to board deliberations and decision making process all these while which is valuable to the Company. They would not hesitate to raise doubts over any issues, albeit on audited financial statement or internal audit, until they are satisfied with their explanation or proposed recommendations. To that, the Board recommends Syahriza Binti Senan and Vincent Wong Soon Choy to continue their office as Independent Directors according to the respective Ordinary Resolutions 7 and 8 put forth in the forthcoming Annual General Meeting.

Both Syahriza and Vincent have met the independence as defined in Bursa Securities Listing Requirements. In addition, the Board assessed their independence annually. Their independence have not been compromised all these while.

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

The Proposed RSM under Ordinary Resolution 9 was intended to renew the shareholders' mandate granted by the shareholders of the Company at an Annual General Meeting of the Company held on 5 March 2021.

The Proposed RSM 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 favorable 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 RSM is set out in the Circular to Shareholders of the Company which is dispatched together with the Annual Report of the Company for the financial year ended 30 September 2020.

GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd in accordance with Article 80 (iii) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 26 February 2021. Only a depositor whose name appears on the Record of Depositors as at 26 February 2021 shall be entitled to attend this meeting or appoint proxy/proxies to attend, speak, participate and/or vote in his stead.