

**THIS STATEMENT/CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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Shareholders should rely on their own evaluation to assess the merits and risks of the proposals as set out herein.



**GENETEC TECHNOLOGY BERHAD**

(445537-W)  
(Incorporated in Malaysia)

**PART A**

**STATEMENT TO SHAREHOLDERS  
IN RELATION TO THE  
PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE  
UP TO TEN PER CENTUM (10%) OF THE TOTAL ISSUED SHARES OF THE COMPANY**

**PART B**

**CIRCULAR TO SHAREHOLDERS  
IN RELATION TO THE  
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING  
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**PART C**

**PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY**

The above proposals will be tabled as Special Business of Twenty-First (21<sup>st</sup>) Annual General Meeting ("**AGM**") of Genetec Technology Berhad ("**the Company**") to be held at Multi-Purpose Hall, 2<sup>nd</sup> Floor, Lot 5, Jalan P10/12, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Wednesday, 28 August 2019 at 10.00 a.m. The Notice of the 21<sup>st</sup> AGM together with the Form of Proxy is set out in the Company's 2019 Annual Report, which is despatched together with this Statement/Circular.

You may appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, kindly complete and deposit the Form of Proxy at the 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 alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time set for the AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Monday, 26 August 2019 at 10.00 a.m.  
Date and time of the 21<sup>st</sup> AGM : Wednesday, 28 August 2019 at 10.00 a.m.

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Statement/Circular:-

Act	: Companies Act, 2016, as amended from time to time and any re-enactment thereof
AGM	: Annual General Meeting
AMLR	: The Listing Requirements of Bursa Securities for the ACE Market and any amendments thereto that may be made from time to time
Board	: Board of Directors of Genetec
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd
Bursa Securities	: Bursa Malaysia Securities Berhad
Code	: The Malaysian Code on Take-Overs and Mergers 2016, as amended from time to time and include any re-enactment thereof
Circular	: This circular to shareholders of Genetec in relation to Proposed Renewal of Shareholders' Mandate dated 29 July 2019
Cotel	: Cotel Precision Industries Sdn Bhd, a wholly-owned subsidiary company of KVC Industrial Supplies Sdn Bhd
CLT	: CLT Engineering Sdn Bhd, a 51%-owned subsidiary company of Genetec
Director(s)	: Directors shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of Genetec or any other company which is its subsidiary or holding company or a chief executive officer of Genetec, its subsidiary or holding company
EPS	: Earnings per share
ESOS	: The Company's subsisting employees' share option scheme involving the issuance of up to 15% of its issued shares
Genetec or the Company	: Genetec Technology Berhad
Genetec Group or the Group	: Collectively, Genetec and its subsidiary companies (including such subsidiary companies as may be incorporated and/or acquired from time to time)
KVC	: KVC Industrial Supplies Sdn Bhd, a 50%-owned company of KVC Properties Sdn Bhd
KVC Pty	: KVC Properties Sdn Bhd, a 51%-owned company of KVC Corporation Sdn Bhd
KVC Corp	: KVC Corporation Sdn Bhd
LPD	: 28 June 2019, being the latest practicable date prior to the printing of this Statement/Circular

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**DEFINITIONS (Cont'd)**

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- Major Shareholder(s) : A person who has (which includes any person who is or was within the preceding 6 months of the date on which the terms of transaction were agreed upon) an interest or interests in one or more voting shares in Genetec or any other company which is the subsidiary or holding company of Genetec and the number or aggregate number of those shares, is:-
- (a) 10% or more of the total number of voting shares in the company; or
- (b) 5% or more of the total number of voting shares in Genetec where such person is the largest shareholder of the company.
- For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8 of the Act.
- Market Day(s) : Means a day on which the stock market of Bursa Securities is open for trading in securities
- Minister : Minister charged with the responsibilities for companies, currently the Minister of Domestic Trade, Co-operatives and Consumerism, Malaysia
- NA : Net assets attributable to ordinary equity holders of Genetec
- Proposed Adoption of New Constitution : Proposed adoption of new constitution of the Company
- Proposed Renewal of Shareholders' Mandate : The proposed renewal of the shareholders' mandate for RRPT which approval is being sought from the shareholders at the forthcoming AGM as set out in the Circular
- Proposed Share Buy-Back : The proposed authority to the Company to purchase its own Shares of up to ten per centum (10%) of the total issued shares of the Company as set out in the Statement
- Purchased Share(s) : Share(s) of the Company purchased under the Proposed Share Buy-Back
- RRPT : Recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations and are in the ordinary course of business of the Genetec Group, entered into by Genetec or its subsidiaries which involve the interest, direct or indirect, of a Related Party(ies)
- Related Party(ies) : A Director, Major Shareholder of Genetec or person connected with such Director or Major Shareholder including any person who is or was within the preceding six (6) months of the date on which terms of the transaction were agreed upon, a Director or a Major Shareholder of the Company or any other corporation which is its subsidiary or holding company, who are interested in the Proposed Renewal of Shareholders' Mandate
- Related Transacting Parties : The parties transacting/to be transacting with the Genetec Group under the Proposed Renewal of Shareholders' Mandate
- RM and sen : Ringgit Malaysia and sen, respectively
- SC : Securities Commission Malaysia
- Share(s) : Ordinary share(s) in Genetec

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**DEFINITIONS (Cont'd)**

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Shareholders' Mandate	: The shareholders' mandate for the Group to enter into RRPT with the Related Parties of a revenue or trading nature for which approval was obtained from the shareholders during the Twentieth (20 <sup>th</sup> ) AGM held on 21 August 2018
Statement	: This statement to the shareholders of Genetec in relation to the Proposed Share Buy-Back dated 29 July 2019
Substantial Shareholder(s)	: A person who has interest or interests in one or more voting shares in the Company and the number or the aggregate number of such shares is not less than five per centum (5%) of the total number of all the voting shares included in the Company.
Treasury Share(s)	: The Shares purchased by the Company which are or will be retained in treasury and shall have the meaning given under Section 127 of the Act
TSA	: TSA Industries Sdn Bhd, a 50.10%-owned company of KVC Properties Sdn Bhd
VWAMP	: Volume weighted average market price

In this Statement/Circular, words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

For the purpose of this Statement/Circular, all references to time of day relates to Malaysian time and date, unless otherwise stated.

All references to "you" in this Statement/Circular are to the shareholders of the Company.

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**PART A**

**STATEMENT TO SHAREHOLDERS**

**IN RELATION TO THE**

**PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE UP TO  
TEN PER CENTUM (10%) OF THE TOTAL ISSUED SHARES OF THE COMPANY**



## **GENETEC TECHNOLOGY BERHAD**

(445537-W)  
(Incorporated in Malaysia)

### **Registered Office:**

Lot 7, Jalan P10/11, Seksyen 10  
Kawasan Perusahaan Bangi  
43650 Bandar Baru Bangi  
Selangor Darul Ehsan  
Malaysia

29 July 2019

### **BOARD OF DIRECTORS**

Hew Voon Foo (*Chairman, Independent Non-Executive Director*)  
Chin Kem Weng (*Managing Director*)  
Sow Ewe Lee (*Executive Director*)  
Tan Moon Teik (*Executive Director*)  
Teh Kim Seng (*Independent Non-Executive Director*)  
Chen Khai Voon (*Non-Independent Non-Executive Director*)

### **To: The shareholders of Genetec**

Dear Sir/Madam,

### **PROPOSED SHARE BUY-BACK**

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#### **1.0 INTRODUCTION**

- 1.1 The Board had on 10 July 2019 announced to Bursa Securities that the Company proposed to seek its shareholders' approval a mandate for the Proposed Share Buy-Back.

The purpose of this Statement is to provide you with the details of the Proposed Share Buy-Back together with the recommendation of the Board and to seek your approval on the ordinary resolution pertaining thereto which are to be tabled as special business at the forthcoming AGM. The notice of the AGM together with the form of proxy are enclosed in the Annual Report for the financial year ended 31 March 2019 which are sent to you together with this Statement/Circular.

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS STATEMENT BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK TO BE TABLED AT THE FORTHCOMING AGM.**

## **2.0 DETAILS OF THE PROPOSED SHARE BUY-BACK**

### **2.1 Details of the Proposed Share Buy-Back**

The Board proposes to seek the shareholders' approval for the authority and mandate for the Company to purchase the Company's Shares at any time up to 10% of the total number of issued shares of the Company in compliance with Section 127 of the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements governing the same.

The Proposed Share Buy-Back and/or resale of its Treasury Shares shall only be effected on the market of Bursa Securities via its Automated Trading System and shall exclude any Direct Business Transactions and On-Market Married Transactions as defined in accordance with the AMLR. The Company shall ensure that all dealing(s) in its own Shares/Purchased Shares are made through stockbroker(s) appointed by the Company.

The mandate from the shareholders for the Proposed Share Buy-Back, if granted, will be effective immediately after the passing of the ordinary resolution pertaining thereto at the forthcoming AGM of the Company and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution is passed at which time it will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (c) the authority is revoked or varied by ordinary resolution passed by the shareholders in a general meeting of the Company,

whichever occurs first.

The Proposed Share Buy-Back does not impose an obligation on the Company to purchase its own Shares. Rather, it will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period.

### **2.2 Quantum**

The maximum aggregate number of the Shares which may be purchased by the Company shall not exceed 10% of the total number of issued shares of the Company at any point of time. Nevertheless, the actual number of the Shares to be purchased by the Company pursuant to the Proposed Share Buy-Back, will depend on the total amount of funds involved for each purchase and the timing of the purchase(s) will depend on inter-alia, the market conditions and sentiments of the stock market as well as the availability of financial resources of the Company and the availability of the retained profits of the Company.

### **2.3 Funding**

The Proposed Share Buy-Back will be financed through internally generated funds and/or bank borrowings. The maximum amount of funds to be utilised by the Company for the purchase of its own Shares shall not exceed the retained profits of the Company. Based on the latest audited financial statements as at 31 March 2019, the retained profits of the Company was approximately RM15.2 million.

The proportion of the funding will depend on the quantum of purchase consideration as well as the availability of internally generated funds and borrowings and repayment capabilities of the Company at the time of purchase. In the event that the Proposed Share Buy-Back is to be partly or wholly financed by bank borrowings, the Board will ensure that the Company will have sufficient funds to repay such borrowings and that the repayment would not have any material effect on the cash flow of Genetec.



## **2.4 Treatment of Purchased Shares**

In accordance with Section 127(4) of the Act, the Board may deal with any of the Purchased Shares, at their discretion, in the following manner:-

- (a) cancel the Purchased Shares;
- (b) retain the Purchased Shares as Treasury Shares; or
- (c) retain part of the Purchased Shares as Treasury Shares and cancel the remainder.

Accordingly, based on Section 127(7) of the Act, where such Purchased Shares are held as Treasury Shares, the Board may, at their discretion:

- (a) distribute the Purchased Shares as dividends to the shareholders of the Company, such dividends to be known as “share dividends”;
- (b) resell the Purchased Shares or any of the Purchased Shares in accordance with the relevant rules of Bursa Securities;
- (c) transfer the Purchased Shares or any of the Purchased Shares for the purposes of or under an employees’ share scheme;
- (d) transfer the Purchased Shares or any of the Purchased Shares as purchase consideration;
- (e) cancel the Purchased Shares or any of the Purchased Shares; or
- (f) sell, transfer or otherwise use the Purchased Shares for such other purposes as the Minister may by order prescribe.

The decision whether to retain the Purchased Shares as Treasury Shares or to cancel the Purchased Shares or a combination of both, will be made by the Board at the appropriate time. An immediate announcement will be made to Bursa Securities on any purchase of Shares as well as any resale or cancellation of the Treasury Shares or a combination of both.

Pursuant to Section 127(8) of the Act, if the Purchased Shares are held as Treasury Shares, the rights attached to them in relation to voting, dividends and participation in any other distribution and otherwise is suspended. In accordance with Section 127(9) of the Act, the Treasury Shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

As at the date of this Statement, the Board has yet to make any decision with regard to the treatment of the Shares to be purchased and will take into consideration the effects of such treatment on the Group in arriving at its decision.

## **2.5 Regulatory requirements**

The Proposed Share Buy-Back is subject to, inter-alia, the following regulatory requirements:-

- (a) Purchase Price

Pursuant to Rule 12.17 of the AMLR, the Company may only purchase the Shares on Bursa Securities which is not 15% above the VWAMP of the Shares for the five (5) Market Days immediately before the purchase.

(b) Resale or transfer price

Pursuant to Rule 12.18 of the AMLR, the Company may only resell or transfer any Treasury Shares on Bursa Securities at:-

- (i) a price which is not less than the VWAMP for the Shares for the five (5) Market Days immediately before the resale or transfer; or
- (ii) a discounted price of not more than 5% to the VWAMP for the Shares for the five (5) Market Days immediately before the resale or transfer provided that:-
  - the resale or transfer takes place no earlier than thirty (30) days from the date of purchase; and
  - the resale or transfer price is not less than the cost of purchase of the Purchased Shares being resold or transferred.

(c) Public shareholding spread

The Proposed Share Buy-Back will be carried out in accordance with Section 127 of the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of purchase including compliance with the 25% shareholding spread requirement as set out under Rule 8.02(1) of the AMLR.

As at the LPD, the public shareholding spread of Genetec was approximately 70.56%.

The Company will endeavor to ensure that the Proposed Share Buy-Back will not breach the Rule 12.14 of the AMLR, which states that a listed corporation must not purchase its own shares on Bursa Securities if that purchase(s) will result in the listed corporation being in breach of the shareholding spread requirement as required by the AMLR.

## 2.6 Implication of the Code

Pursuant to the Code, a person and any parties acting in concert with him/her/they will be required to make a mandatory offer for the remaining Shares not already owned by him/her/they if his/her/their stake in the Company is increased to beyond thirty three percent (33.0%) or if his/her/their shareholdings is between thirty three percent (33.0%) and fifty percent (50.0%) and increases by another two percent (2.0%) in any six (6) months period.

However, an exemption from mandatory offer obligation may be granted by the SC under the Code subject to the parties acting in concert complying with the conditions stipulated in the Code.

As it is not intended for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory offer under the Code by any of the Company's Substantial Shareholders and/or parties acting in concert with them, the Board will ensure that only such number of Shares to be purchased, retained as Treasury Shares, cancelled or distributed pursuant to the Proposed Share Buy-Back, would not result in triggering any mandatory offer obligation on the part of the Company's Substantial Shareholders and/or parties acting in concert with them. In this connection, the Board is mindful of the AMLR when making any purchase of the Shares pursuant to the Proposed Share Buy-Back.

Based on the shareholdings of the Substantial Shareholders of the Company as at LPD and assuming the Proposed Share Buy-Back is carried out in full, none of the Substantial Shareholders together with any person acting in concert with them will trigger a mandatory general offer under the Code.

## **2.7 Previous purchases, resale and cancellation of treasury shares**

The Company does not have an existing authority to purchase its Shares. Hence, the Company does not currently hold any Treasury Shares and has not purchased, resold and/or cancelled any Shares during the last 12 months preceding the LPD.

## **2.8 Rationale**

The implementation of the Proposed Share Buy-Back, if and when the Company deems appropriate, would enable the Company to utilise its surplus financial resources to purchase the Shares at prices which the Board views as favourable. Depending on the funding cost for the purchase of such Shares, the Proposed Share Buy-Back may strengthen the EPS of Genetec and if so, it is expected to benefit the shareholders of the Company. With the Purchased Shares to be held as Treasury Shares, such shares may potentially be resold on Bursa Securities at a higher price and therefore realising a potential gain in reserves. The Treasury Shares may also be distributed to the shareholders as share dividends, this would serve as a reward to the shareholders of the Company.

## **2.9 Potential advantages and disadvantages of the Proposed Share Buy-Back**

The potential advantages of the Proposed Share Buy-Back are as follows:-

- (a) allow the Company to take preventive measures against speculation particularly when the Shares are undervalued, which would, in turn, stabilise the market price of the Shares and hence investors' confidence;
- (b) enable the Company to utilise its financial resources more efficiently especially where there is no immediate use and it may strengthen the consolidated EPS of the Group;
- (c) if the Purchased Shares are retained as Treasury Shares, it will provide the Board with an option to sell the Purchased Shares at a higher price and therefore make a gain for the Company; and
- (d) the Treasury Shares may be distributed as share dividends to shareholders as a reward to the shareholders of the Company.

The potential disadvantages of the Proposed Share Buy-Back are as follows:-

- (a) reduction of the financial resources of the Company available for distribution to the shareholders of the Company in the foreseeable future;
- (b) resultant opportunity costs for the Company as better investment opportunities may be foregone in the future with the reduction in financial resources of the Group available upon implementation of the Proposed Share Buy-Back; and
- (c) deprive the Group of interest income that can be derived from the funds utilised for the Proposed Share Buy-Back. Further, if the Proposed Share Buy-Back is financed via bank borrowings, the Group would have to service interest obligations.

The Proposed Share Buy-Back, however, is not expected to have any potential material disadvantages to the Company and its shareholders, as it will be exercised only after in-depth consideration of the financial resources of Genetec which need to be balanced against investment opportunities and other proposals that can enhance the value to its shareholders. The Board is mindful of the interest of the Company and the shareholders and will be prudent with respect to the above exercise.

### 3.0 EFFECTS OF THE PROPOSED SHARE BUY-BACK

The effects of the Proposed Share Buy-Back on the share capital, earnings and EPS, NA and gearing, working capital, dividends, shareholdings of Directors and Substantial Shareholders of the Company and convertible securities are set out below.

#### 3.1 Share capital

The effect of the Proposed Share Buy-Back on the issued shares of the Company will depend on whether the Purchased Shares are cancelled or retained as Treasury Shares. The Proposed Share Buy-Back will result in a reduction of the issued shares of the Company if the Purchased Shares so purchased are cancelled.

On the assumption that the Proposed Share Buy-Back is carried out in full and all the Shares so acquired are subsequently cancelled, the Proposed Share Buy-Back will result in the total number of issued shares of the Company as at the LPD to be reduced as follows:-

	As at LPD No. of Shares	After the Proposed Share Buy-Back	
		Minimum Scenario No. of Shares	Maximum Scenario No. of Shares
Issued shares	42,291,300	42,291,300	42,291,300
Exercise of outstanding ESOS options	-	-	1,709,200
	42,291,300	42,291,300	44,000,500
Less: Maximum number of Shares that could be purchased and cancelled pursuant to the Proposed Share Buy-Back	-	(4,229,130)	(4,400,050)
Resultant number of issued shares after cancellation of Shares	<b>42,291,300</b>	<b>38,062,170</b>	<b>39,600,450</b>

Notes:

- (1) As at the LPD, the Company has granted all ESOS options available under the ESOS with 1,709,200 ESOS options remained outstanding and exercisable into new Shares.
- (2) Minimum scenario - Assuming none of the outstanding 1,709,200 ESOS options granted under the ESOS will be exercised.
- (3) Maximum Scenario - Assuming all of the outstanding 1,709,200 ESOS options granted under the ESOS are fully exercised.

In the event the Purchased Shares are retained as Treasury Shares, resold, distributed to shareholders or transferred under an employees' share scheme or as purchase consideration, the Proposed Share Buy-Back will not have any effect on the total number of issued shares of the Company.

#### 3.2 Earnings and EPS

The effects of the Proposed Share Buy-Back on the consolidated earnings of Genetec would depend on the purchase price and number of Shares purchased as well as the effective funding cost to the Company in implementing the Proposed Share Buy-Back. The reduction in the number of Shares applied in the computation of the consolidated EPS pursuant to the Proposed Share Buy-Back may generally, all else being equal, have a positive impact on the consolidated EPS for the financial year when the Proposed Share Buy-Back is implemented. Should the Shares purchased be resold, the extent of the impact to the earnings of the Group will depend on the actual selling price, the number of Treasury Shares resold, the effective funding cost and the gain or loss on the disposal, if any.

### **3.3 NA and gearing**

The effects of the Proposed Share Buy-Back on the NA per share of the Company will depend on the purchase price of the Shares and the effective funding cost or loss in interest income of the Company. If the Shares purchased are cancelled, the Proposed Share Buy-Back would reduce the NA per share of the Company if the purchase price exceeds the NA per share at the time of purchase. Conversely, the NA per share of the Company would be increased if the purchase price is less than the NA per share at the time of purchase. Should the Shares purchased be resold, the consolidated NA per share will increase if the Company realises a gain from the resale and vice versa.

The effect of the Proposed Share Buy-Back on the gearing of the Group will depend on the proportion of borrowings utilised to fund any purchase of Shares. The utilisation of any borrowings to fund the purchase of any Shares will increase the gearing of the Group.

### **3.4 Working capital**

The Proposed Share Buy-Back, as and when implemented, will reduce the working capital and cash flow of the Group, the quantum of which depends on, amongst others, the number of Shares purchased and the purchase price(s) of the Shares. For Shares so purchased which are kept as Treasury Shares, upon their resale, the working capital and the cash flow of the Group will increase upon the receipt of the proceeds of the resale. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the Treasury Shares and the number of Treasury Shares resold.

### **3.5 Dividends**

Assuming the Proposed Share Buy-Back is implemented in full, dividends would be paid on the remaining issued shares of Genetec. The Proposed Share Buy-Back may have any impact on the Company's dividend policy as it would reduce the cash available which may otherwise be used for dividend payments.

The level of future dividend to be declared or recommended (if any) will be determined by the Board after taking in consideration the performance, cashflow position of Genetec Group and the prevailing economic conditions.

Nonetheless, the Treasury Shares may be distributed as dividends to shareholders of the Company, if the Company so decides.

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### 3.6 Directors/Substantial Shareholders' shareholdings

The proforma effects of the Proposed Share Buy-Back on the Directors and/or Substantial Shareholders' shareholdings in the Company are as follows:-

Minimum Scenario	As at the LPD				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
KVC Corporation Sdn Bhd	4,564,000	10.79	-	-	4,564,000	11.99	-	-
Chin Kem Weng	2,198,150	5.20	-	-	2,198,150	5.78	-	-
Tan Moon Teik	2,010,200	4.75	-	-	2,010,200	5.28	-	-
Hew Voon Foo	100,000	0.24	-	-	100,000	0.26	-	-
Teh Kim Seng	100,000	0.24	-	-	100,000	0.26	-	-
Sow Ewe Lee	200,000	0.47	-	-	200,000	0.53	-	-
Chen Khai Voon	-	-	4,564,000*	10.79	-	-	4,564,000*	11.99

  

Maximum Scenario	As at the LPD				(i) After full exercise of outstanding ESOS				(ii) After (i) and the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
KVC Corporation Sdn Bhd	4,564,000	10.79	-	-	4,564,000	10.37	-	-	4,564,000	11.53	-	-
Chin Kem Weng	2,198,150	5.20	-	-	2,578,150	5.86	-	-	2,578,150	6.51	-	-
Tan Moon Teik	2,010,200	4.75	-	-	2,360,200	5.36	-	-	2,360,200	5.96	-	-
Hew Voon Foo	100,000	0.24	-	-	100,000	0.23	-	-	100,000	0.25	-	-
Teh Kim Seng	100,000	0.24	-	-	100,000	0.23	-	-	100,000	0.25	-	-
Sow Ewe Lee	200,000	0.47	-	-	400,000	0.91	-	-	400,000	1.01	-	-
Chen Khai Voon	-	-	4,564,000*	10.79	100,000	0.23	4,564,000*	10.37	100,000	0.25	4,564,000*	11.53

Notes: \* Deemed interest held through KVC Corporation Sdn Bhd.

(1) Minimum scenario - Assuming none of the outstanding 1,709,200 ESOS options granted under the ESOS will be exercised.

(2) Maximum Scenario - Assuming all of the outstanding 1,709,200 ESOS options granted under the ESOS are fully exercised.

### 3.7 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities in issue, save for the 1,709,200 outstanding ESOS Options granted pursuant to the ESOS, which remained unexercised.

### 4.0 APPROVALS REQUIRED

The Proposed Share Buy-Back is subject to the approval of the shareholders of Genetec at the forthcoming AGM to be convened.

The Proposed Share Buy-Back is not conditional upon any other proposal undertaken or to be undertaken by the Company.

### 5.0 HISTORICAL SHARE PRICES

The monthly highest and lowest prices of the Shares as traded on Bursa Securities for the past twelve (12) months up to May 2019 are as follows:-

	Highest (RM)	Lowest (RM)
<b><u>2018</u></b>		
June	1.38	1.15
July	1.30	1.15
August	1.69	1.28
September	1.90	1.56
October	1.88	1.29
November	2.04	1.49
December	1.75	1.56
<b><u>2019</u></b>		
January	1.81	1.56
February	2.05	1.76
March	1.91	1.65
April	1.77	1.57
May	1.58	1.21

The last transacted market price of the Shares on LPD was RM1.18 per Share.

*(Source: Bloomberg)*

### 6.0 DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for the proportionate increase in the percentage shareholdings and/or voting rights of the shareholdings as a consequence of the Proposed Share Buy-Back, none of the Directors and Substantial Shareholders of Genetec and/or persons connected with them have any interest, direct or indirect, in the Proposed Share Buy-Back.

### 7.0 DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is fair, reasonable and in the best interest of the Company and accordingly, on the basis above, recommends you to vote in favour of the ordinary resolution in relation to the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

## **8.0 OUTSTANDING CORPORATE EXERCISES**

Save for the Proposed Share Buy-Back which is the subject matter of this Statement, there are no other intended corporate exercises/schemes which have been announced but yet to be completed by the Group prior to the printing of this Statement.

## **9.0 AGM**

The notice convening the AGM to vote on the ordinary resolution pertaining to the Proposed Share Buy-Back is set out in the Company's 2019 Annual Report accompanying this Statement/Circular. The AGM of the Company will be held at Multi-Purpose Hall, 2<sup>nd</sup> Floor, Lot 5, Jalan P10/12, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Wednesday, 28 August 2019 at 10.00 a.m., for the purpose of considering the Proposed Share Buy-Back contained herein and if thought fit, passing the ordinary resolution to give effect to the Proposed Share Buy-Back.

The voting on the resolutions at the forthcoming AGM will be by poll. If you are unable to attend and vote in person at the AGM, please complete, sign and return the form of proxy, of which is enclosed in the 2019 Annual Report, in accordance with the instructions contained therein, so as to arrive at the 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 alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time set for the AGM or any adjournment thereof. The lodging of the form of proxy will not, however, preclude you from attending and voting at the forthcoming AGM should you subsequently wish to do so.

## **10.0 FURTHER INFORMATION**

Shareholders are advised to refer to the Appendix I of this Statement/Circular for further information.

Yours faithfully,  
For and on behalf of the Board  
**GENETEC TECHNOLOGY BERHAD**

HEW VOON FOO  
Independent Non-Executive Chairman

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**PART B**

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

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



## GENETEC TECHNOLOGY BERHAD

(445537-W)  
(Incorporated in Malaysia)

### Registered Office:

Lot 7, Jalan P10/11  
Seksyen 10  
Kawasan Perusahaan Bangi  
43650 Bandar Baru Bangi  
Selangor Darul Ehsan

29 July 2019

### Board of Directors:

Hew Voon Foo (*Chairman, Independent Non-Executive Director*)  
Teh Kim Seng (*Independent Non-Executive Director*)  
Chen Khai Voon (*Non-Independent Non-Executive Director*)  
Chin Kem Weng (*Managing Director*)  
Sow Ewe Lee (*Executive Director*)  
Tan Moon Teik (*Executive Director*)

### To: The shareholders of Genetec

Dear Sir/Madam,

### PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

---

#### 1. INTRODUCTION

At the AGM held on 21 August 2018, the Company had obtained a mandate from the shareholders in respect of RRPT contemplated in the Shareholders' Mandate. The Shareholders' Mandate shall, in accordance with the AMLR, expire at the conclusion of the forthcoming AGM unless authority for its renewal is obtained from the shareholders at the forthcoming AGM.

On 10 July 2019, we had announced that the Company is proposing to seek its shareholders' approval for the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

The purpose of this Circular is to provide you with details of the Proposed Renewal of Shareholders' Mandate together with the recommendation of the Board and to seek your approval for the ordinary resolution pertaining thereto which are to be tabled as special business at the forthcoming AGM. The notice of the AGM and the form of proxy are enclosed in the Annual Report for the financial year ended 31 March 2019 which has been sent to you together with this Statement/Circular.

**YOU ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING AGM.**

## 2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

### 2.1 Provisions under the AMLR

Under Rule 10.09 of Chapter 10 and Guidance Note 8 of the AMLR, a listed corporation may seek a shareholders' mandate in respect of related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations, subject to, inter alia, the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold as below:
  - (i) the consideration, value of assets, capital outlay or costs of the Recurrent Related Party Transaction is RM1 million or more; or
  - (ii) the percentage ratio of such Recurrent Related Party Transaction is 1% or more,whichever is the lower.
- (c) the listed corporation's circular to shareholders for the shareholders' mandate includes the information as set out in the Guidance Note 8 of the AMLR. The circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder must not vote on the resolution approving the transactions. An interested director or interested major shareholder must also ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) the listed corporation immediately announces to the Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the listed corporation, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the Circular by 10% or more and must include the information as may be prescribed by the Bursa Securities in its announcement.

The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders at the forthcoming AGM, shall only continue to be in force until:

- (i) the conclusion of the next AGM of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at the meeting; or
- (ii) the expiration of the period within which the next AGM of the Company after that date it 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
- (iii) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

Thereafter, the approval of the shareholders will be sought for a renewal of the shareholders' mandate for the RRPT at each subsequent AGM of the Company.

## 2.2 Principal activities of the Group

The Company is principally engaged in investment holding activities, designing and building of customised factory automation equipment and integrated vision inspection system, from conceptual design, development of prototype to mass replication of equipment.

The principal activity of the Company's subsidiary company involved in the RRPT is as follow:-

Subsidiary	Principal activity
CLT	Fabrication of machine parts and tooling for equipment and replication of systems and equipment.

## 2.3 Class of Related Parties, Nature and Terms of the RRPT and Estimated Value

The Proposed Renewal of Shareholders' Mandate will apply to transactions involving the Group with the following Related Parties:

Party within the Group involved in transaction	Related Transacting Parties	Nature of Transaction	Nature of Interest / Relationship	Estimated aggregate value of transaction from date of 21 <sup>st</sup> AGM to the next AGM date * RM	#Existing Mandate	
					Estimated value disclosed in the preceding year's circular RM	Actual value transacted from the last AGM up to LPD RM
Genetec	TSA	Sale of fabrication parts by Genetec to TSA	Chen Khai Voon is a Director and indirect Major Shareholder of Genetec (via his shareholdings in KVC Corp). He is also a Director and an indirect Major Shareholder of TSA (via his shareholdings in KVC Corp and KVC Pty)	150,000	150,000	-
		Purchase of industrial hardware products by Genetec from TSA	KVC Corp is a Major Shareholder of Genetec and also an indirect Major Shareholder of TSA (via its shareholdings in KVC Pty)	300,000	300,000	27,488

Party within the Group involved in transaction	Related Transacting Parties	Nature of Transaction	Nature of Interest / Relationship	Estimated aggregate value of transaction from date of 21 <sup>st</sup> AGM to the next AGM date * RM	#Existing Mandate	
					Estimated value disclosed in the preceding year's circular RM	Actual value transacted from the last AGM up to LPD RM
Genetec	KVC	Sale of fabrication parts by Genetec to KVC	Chen Khai Voon is a Director and indirect Major Shareholder of Genetec (via his shareholdings in KVC Corp). He is also a Director and an indirect Major Shareholder of KVC (via his shareholdings in KVC Corp and KVC Pty)	150,000	150,000	-
		Purchase of electrical components by Genetec from KVC	KVC Corp is a Major Shareholder of Genetec and also an Indirect Major Shareholder of KVC (via its shareholdings in KVC Pty)	2,000,000	2,000,000	440,459

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Party within the Group involved in transaction	Related Transacting Parties	Nature of Transaction	Nature of Interest / Relationship	Estimated aggregate value of transaction from date of 21 <sup>st</sup> AGM to the next AGM date * RM	#Existing Mandate	
					Estimated value disclosed in the preceding year's circular RM	Actual value transacted from the last AGM up to LPD RM
Genetec	Cotel	Purchase of precision measuring instruments by Genetec from Cotel	Chen Khai Voon is a Director and indirect Major Shareholder of Genetec (via his shareholdings in KVC Corp). He is also an indirect Major Shareholder of Cotel (via his shareholdings in KVC Corp, KVC Pty and KVC)  KVC Corp is a Major Shareholder of Genetec and also an indirect Major Shareholder of Cotel (via its shareholdings in KVC Pty and KVC)	-	500,000	34,240
Genetec	CLT	Sale of machines and component parts by Genetec to CLT	Tan Moon Teik is a Director of Genetec. He is also a Director and Major Shareholder of CLT	3,000,000	3,000,000	-
		Purchase of machines, component/ fabrication parts by Genetec from CLT	Chin Kem Weng is a Director of Genetec. He is also a Director and Indirect Major Shareholder of CLT (via his shareholdings in Genetec)	1,800,000	1,000,000	-
		Provision of engineering services by CLT to Genetec		1,000,000	1,000,000	-

Party within the Group involved in transaction	Related Transacting Parties	Nature of Transaction	Nature of Interest / Relationship	Estimated aggregate value of transaction from date of 21 <sup>st</sup> AGM to the next AGM date * RM	#Existing Mandate	
					Estimated value disclosed in the preceding year's circular RM	Actual value transacted from the last AGM up to LPD RM
CLT	KVC	Purchase of electrical components by CLT from KVC	<p>Chen Khai Voon is an indirect Major Shareholder of CLT (via his direct shareholdings in KVC Corp and indirect shareholdings in Genetec). He is also a Director and indirect Major Shareholder of KVC (via his shareholdings in KVC Corp and KVC Pty)</p> <p>KVC Corp is an indirect Major Shareholder of KVC (via its shareholdings in KVC Pty) and also an indirect Major Shareholder of CLT (via its shareholdings in Genetec)</p>	500,000	500,000	9,642
CLT	TSA	Purchase of industrial hardware products by CLT from TSA	<p>Chen Khai Voon is an indirect Major Shareholder of CLT (via his direct shareholdings in KVC Corp and indirect shareholdings in Genetec). He is also a Director and an indirect Major Shareholder of TSA (via his shareholdings in KVC Corp and KVC Pty)</p> <p>KVC Corp is an indirect Major Shareholder of TSA (via its shareholdings in KVC Pty) and also an indirect Major Shareholder of CLT (via its shareholdings in Genetec)</p>	50,000	50,000	9,595

Note:

- \* *The values are merely estimates, includes value for transactions entered into from the date of forthcoming AGM up to the next AGM. The actual value transacted may vary and subject to changes.*
- # *The actual value transacted did not exceed the estimated value as approved under the existing mandate granted to the Company at the last AGM.*

## **2.4 Amount due and owing by Related Parties**

As at financial year ended 31 March 2019, there were no amounts due and owing by the Related Parties to the Group, which has exceeded the credit term as per Section 2.3 of this Circular.

## **2.5 Benefits of the RRPT**

The benefits to be derived from the RRPT are as follows:-

- a) the RRPT entered by the Group, are all in the ordinary course of business and intended to meet the business needs of the Group at the best possible terms so as to achieve synergistic benefits to the Group;
- b) the Related Parties with whom the Group transacts are reliable supplier of the goods/services required for the Group's business and therefore, risk of any interruption to the Group's day-to-day operations would be minimised;
- c) the prices of the RRPT are competitive and the terms are not more favourable to the Related Parties than those generally available to the public; and
- d) prompt and better service can be obtained as the Related Parties have in-depth understanding of the Group's business and industries in which the Group operates.

## **2.6 Methods or procedures on which transactions prices are determined for the RRPT**

The Group has established various methods and procedures to ensure that the RRPT are undertaken on an arm's length basis and on normal commercial terms, which are consistent with the Group's usual business practices and policies and are on transaction prices and terms not more favourable to the Related Parties than those extended to the public and are not to the detriment of the minority shareholders.

The procedures and guidelines established by the Group for RRPT are as follows:

- (i) All companies within the Group have been informed of the related parties and the procedures applicable to all RRPT with related parties;
- (ii) All companies within the Group shall only enter into RRPT after taking into account the pricing, level of service, quality of product as compared to market prices and industry standards. Any RRPT entered into shall be treated and processed on normal commercial terms consistent with the Company's usual business practices and policies and will not be detrimental to the minority shareholders;
- (iii) At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Group's usual business practices.



- (iv) The transaction prices are determined by the prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms;
- (v) All RRPT shall be reviewed by the Audit Committee at quarterly meetings;
- (vi) Any member of the Audit Committee may, as he or she deems fit, request for additional information pertaining to the transactions including from independent sources or advisers;
- (vii) If a member of the Board and/or Audit Committee has an interest, direct or indirect, in any RRPT, he or she shall abstain from any deliberation and continue to abstain from voting on the matter at the Board and/or Audit Committee meeting in respect of such RRPT related to him/her only;
- (viii) Where any person(s) has an interest in the transactions to be reviewed, such person(s) is allowed to involve in the discussion and voting other than those RRPT which is related to him/her and review the procedures of RRPT; and
- (ix) There are no specific thresholds for approval of RRPT within the Group. All RRPT is reviewed by the Audit Committee and approved and/or ratified by the Board of Directors.

## **2.7 Audit Committee Statement**

The Audit Committee has the overall responsibility of determining whether the procedures for reviewing all related party transactions are appropriate to ensure that the RRPT are within the limits approved pursuant to the Proposed Renewal of Shareholders' Mandate.

The Audit Committee of the Company has seen and reviewed the procedures as mentioned in Section 2.6 above and are of the view that the said procedures are sufficient to ensure that the RRPT are not more favourable to the Related Parties than those generally available to the public and are not to the detriment to the minority shareholders.

The Audit Committee has reviewed and is satisfied that the Company has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. These procedures and processes were reviewed annually.

## **2.8 Disclosures of RRPT**

Proper records shall be maintained to capture all RRPT entered into pursuant to the shareholders' mandate to ensure accurate disclosure thereof. Disclosure will be made in the annual report of the breakdown of the aggregate value of the RRPT during the financial year, amongst others, based on the following information:-

- (a) the type of RRPT made; and
- (b) the name of the Related Parties involved in each type of the RRPT made and their relationship with the Company.

### 3. RATIONALE FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The RRPT entered by the Group are all in the ordinary course of business. They are recurring transactions of revenue or trading nature, which are likely to occur with some degree of frequency and arise at any time and from time to time. As these transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, it may be impractical to seek shareholders' approval on a case-by-case basis before entering into such RRPT. As such, the Company is seeking shareholders' mandate pursuant to Rule 10.09 of Chapter 10 and Guidance Note 8 of the AMLR to allow the Group to enter into such RRPT made on an arm's length basis and on normal commercial terms, which are not detrimental to the Company's shareholders.

The RRPT are intended to meet the business needs of the Group on the best possible terms. By transacting with the Related Parties, the Group would have an advantage of familiarity with the background and management of the Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, the Group and the Related Parties have close co-operation and a good understanding of each other's business needs thus providing a platform where all parties can benefit from conducting the RRPT.

By obtaining approval of the Proposed Renewal of 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 RRPT occur, would not arise. This will avoid expenses associated with the convening of general meetings on an ad hoc basis and prevent administrative inconvenience.

### 4. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will not have any effect on Major Shareholders' shareholdings, the share capital, earnings and consolidated net assets per share of the Company and the Group.

### 5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM

Save as disclosed below, none of the other Directors, Major Shareholders and/or persons connected to them have any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate.

Based on the Register of Directors' Shareholdings and Register of Substantial Shareholders as at 28 June 2019, the direct and indirect interests of the interested Directors and interested Major Shareholders in the Company are as follows:

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<b>Directors and Major Shareholders</b>				
Chen Khai Voon	-	-	4,564,000*	10.79
<b>Directors</b>				
Chin Kem Weng	2,198,150	5.20	-	-
Tan Moon Teik	2,010,200	4.75	-	-
<b>Major Shareholders</b>				
KVC Corp	4,564,000	10.79	-	-

Note:

\* Deemed interest held through KVC Corp

Chen Khai Voon is a Director and Major Shareholder of the Company. As at 28 June 2019, his interest in the Related Transacting Parties is as follows:

Related Transacting Parties	Direct		Indirect	
	No. of shares	%	No. of shares	%
(i) TSA	-	-	2,505,000 <sup>(1)</sup>	50.10
(ii) KVC	-	-	1,250,000 <sup>(1)</sup>	50.00
(iii) Cotel	-	-	100,000 <sup>(2)</sup>	100.00
(iv) CLT	-	-	6,183,750 <sup>(3)</sup>	51.00

Notes:

- (1) Deemed interest held through KVC Corp and KVC Pty  
(2) Deemed interest held through KVC Corp, KVC Pty and KVC  
(3) Deemed interest held through KVC Corp and Genetec

Chin Kem Weng is a Director of the Company. As at 28 June 2019, his interest in the Related Transacting Parties is as follows:

Related Transacting Parties	Direct		Indirect	
	No. of shares	%	No. of shares	%
(i) CLT	-	-	6,183,750 <sup>#</sup>	51.00

Note:

- # Deemed interest held through Genetec

Tan Moon Teik is a Director of the Company. As at 28 June 2019, his interest in the Related Transacting Parties is as follows:

Related Transacting Party	Direct		Indirect	
	No. of shares	%	No. of shares	%
(i) CLT	5,456,250	45.00	6,668,750 <sup>^</sup>	55.00

Note:

- <sup>^</sup> Deemed interest held through Genetec (51%) and his spouse (4%)

KVC Corp is a common Major Shareholder of both the Group and Related Transacting Parties. As at 28 June 2019, the interest of KVC Corp in the Related Transacting Parties is as follows:

Related Transacting Parties	Direct		Indirect	
	No. of shares	%	No. of shares	%
(i) TSA	-	-	2,505,000 <sup>(1)</sup>	50.10
(ii) KVC	-	-	1,250,000 <sup>(1)</sup>	50.00
(iii) Cotel	-	-	100,000 <sup>(2)</sup>	100.00
(iv) CLT	-	-	6,183,750 <sup>(3)</sup>	51.00

Notes:

- (1) Deemed interest held through KVC Pty  
(2) Deemed interest held through KVC Pty and KVC  
(3) Deemed interest held through Genetec

Accordingly, the interested Directors, namely Chen Khai Voon, Chin Kem Weng and Tan Moon Teik, have abstained and will continue to abstain from all Board deliberations and voting in respect of the RRPT in which they have an interest as detailed in Section 2 above. They will also abstain from voting in respect of their direct and/or indirect shareholdings and have undertaken to ensure that the persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings (if any), on the ordinary resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

The interested Major Shareholders, namely Chen Khai Voon and KVC Corp will abstain from voting in respect of their direct and/or indirect shareholdings and have undertaken to ensure that the persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings (if any), on the ordinary resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

## **6. APPROVALS REQUIRED**

The Proposed Renewal of Shareholders' Mandate is subject to the approval of the shareholders of the Company being obtained at the forthcoming AGM.

## **7. DIRECTORS' RECOMMENDATION**

The Board, save for the interested Directors named in Section 5 above, after due consideration of all aspects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interests of the Group. Accordingly, the Board, save for the interested Directors named in Section 5 above who have abstained from making any recommendation on the Proposed Renewal of Shareholders' Mandate, recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

## **8. AGM**

The notice convening the AGM to vote on the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate is set out in the Company's 2019 Annual Report accompanying this Circular. The AGM of the Company will be held at Multi-Purpose Hall, 2<sup>nd</sup> Floor, Lot 5, Jalan P10/12, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Wednesday, 28 August 2019 at 10.00 a.m., for the purpose of considering the Proposed Renewal of Shareholders' Mandate contained herein and if thought fit, passing the ordinary resolution to give effect to the Proposed Renewal of Shareholders' Mandate.

The voting on the resolutions at the forthcoming AGM will be by poll. If you are unable to attend and vote in person at the AGM, please complete, sign and return the form of proxy, of which is enclosed in the 2019 Annual Report, in accordance with the instructions contained therein, so as to arrive at the 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 alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time set for the AGM or any adjournment thereof. The lodging of the form of proxy will not, however, preclude you from attending and voting at the forthcoming AGM should you subsequently wish to do so.

## **9. FURTHER INFORMATION**

Shareholders are advised to refer to the Appendix I of this Statement/Circular for further information.

Yours faithfully  
For and on behalf of the Board of Directors of  
**GENETEC TECHNOLOGY BERHAD**

**Hew Voon Foo**  
Independent Non-Executive Chairman

**1. RESPONSIBILITY STATEMENT**

This Statement/Circular has been seen and approved by the Board who collectively and individually accept full responsibility for the accuracy, completeness and correctness of the information given herein and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Statement/Circular false or misleading.

**2. MATERIAL CONTRACT**

As at the date of this Statement/Circular, there are no material contracts (not being contracts entered into in the ordinary course of business of the Group) which have been entered into by the Company and/or the subsidiary companies within the two (2) years immediately preceding the date of this Statement/Circular.

**3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

As at the date of this Statement/Circular, neither the Company nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which may have a material effect on its financial position, and the Board are not aware of any proceedings, pending or threatened against the Group or of any facts likely to give rise to any proceedings which may materially and adversely affect its financial position or business of Genetec Group.

**4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available at the registered office of the Company at Lot 7, Jalan P10/11, Seksyen 10, Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan, during normal business hours from Mondays to Fridays (except public holidays) from the date of this Statement/Circular up to and including the date of the forthcoming AGM:-

- (i) Constitution of the Company; and
- (ii) Audited financial statements for the past 2 financial years ended 31 March 2018 and 31 March 2019.

**PART C**

**PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY**

This is Part C referred to in Agenda item No. 9 tabled as Special Resolution 1 under Special Business of the Notice of 21st AGM of the Company dated 29 July 2019.

Date and time of the 21st AGM : Wednesday, 28 August 2019 at 10.00 a.m.

Venue of the 21st AGM : Multi-Purpose Hall, 2nd Floor, Lot 5, Jalan P10/12,  
Kawasan Perusahaan Bangi, 43650 Bandar Baru Bangi,  
Selangor Darul Ehsan

THE COMPANIES ACT, 2016  
MALAYSIA

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PUBLIC COMPANY LIMITED BY SHARES

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**CONSTITUTION**

**OF**

**GENETEC TECHNOLOGY BERHAD**  
**(Company No. 445537-W)**

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Incorporated on 3<sup>rd</sup> day of September, 1997

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THE COMPANIES ACT, 2016

MALAYSIA

PUBLIC COMPANY LIMITED BY SHARES

**CONSTITUTION**

**OF**

**GENETEC TECHNOLOGY BERHAD**

1. The name of the Company is GENETEC TECHNOLOGY BERHAD.
2. The registered office of the Company is situated in Malaysia.
3. The liability of the Members is limited.

**OBJECTS**

4. The Company shall have all the powers conferred on it by Section 21 of the Companies Act 2016 without prejudice to and without in any way limiting or prejudicing any of such powers, the powers of the Company may include the following are:-
  - (1) To import, export, manufacture, supply and install repair all types of industrial machineries, special purpose machineries, plant, equipment, machine tools, spare parts and accessories, machinery fittings, furnishings, products and things of all kinds of capable of being used for industrial and other purposes.
  - (2) To undertake and execute and contract for works whether involving the supply or use of any machinery or otherwise and to carry out any auxiliary or other works comprised in such contracts.
  - (3) To carry on the business of engineering services and to undertake turnkey projects or any other business which may be useful carried on in connection therewith.
  - (4) To carry on the business and industry of manufacturers, importers, exporters, and general dealers in machinery, engine tools, equipment and hardware of every description and particularly all such as are requisite for or applicable to all classes of mechanical plant or engineering, commercial, industrial, agriculture and construction work or for the maintenance and development of such work.
  - (5) To carry on business as an investment holding company, and in particular to invest the moneys of the Company in or otherwise to acquire and hold shares, stocks, debentures, debenture stocks, scrip, loans, bonds, obligations, notes, securities and investments issued or guaranteed by any company, corporation, association, body or trust constituted or carrying on business in any part of the world, and in the funds or loans, or other securities and investments of or issued or guaranteed by any government, state or dominion, public body or authority, supreme, municipal, local or otherwise whether at home or abroad.



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And it is hereby declared that the word "company" in this clause except where used in reference to this Company, shall be deemed to include any partnership or other body of persons whether incorporated or unincorporated and whether domiciled in Malaysia or elsewhere, and the Company shall have full power to exercise all or any of the objects conferred by this Constitution in any part of the world.

#### DEFINITIONS AND INTERPRETATION

5. In this Constitution unless the subject matter or context dictates otherwise, the following words and phrases shall have the meaning assigned to them herein: -

Words	Meanings
Act	- the Companies Act 2016 and any statutory modification, amendment or re-enactment thereof and any and every other legislation for the time being in force made thereunder and any written law for the time being in force concerning companies and affecting the Company.
Authorised Nominee	- shall have the meaning ascribed thereto in the Central Depositories Act.
Board	- board of Directors of the Company and where the context permits or requires, shall mean the Directors whose number is not less than the required quorum acting as a board of Directors.
Bursa Depository	- the Bursa Malaysia Depository Sdn Bhd and/or its nominee.
Central Depositories Act	- means the Securities Industry (Central Depositories) Act, 1991 and any statutory modification, amendment or re-enactment thereof and any and every other legislation made thereunder for the time being in force.
Clause	- means clauses of this Constitution as originally framed or as altered from time to time by special resolution.
Company	- means GENETEC TECHNOLOGY BERHAD, the abovementioned Company by whatever name from time to time called
Constitution	- means this Constitution as originally framed or as from time to time altered by special resolution of the Company.
Deposited Securities	- means a security standing to the credit of a Securities Account and includes a security in a Securities Account that is in suspense and "Deposited Security" shall mean any of them.
Depositor	- means a holder of a Securities Account established by the Bursa Depository.
Directors	- means the Directors for the time being of the Company, includes any person occupying the position of director of the Company by whatever name called and includes a person in accordance with those directions or instructions the majority of directors of the Company are accustomed to act and an alternate or substitute director.

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Document	- means any document required to be sent under the Listing Requirements to the securities holder.
Exchange	- means the Bursa Malaysia Securities Berhad and if not inconsistent with the subject or context, includes such other stock exchange on which the Company is listed or approved to be listed.
Exempt Authorised Nominee	- means an authorised nominee as defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.
Listing Requirements	- means the Listing Requirements of the Exchange, including any modification or amendments to the Listing Requirements that may be made from time to time.
Market Day	- means any day between Mondays and Fridays which is not a market holiday of the Exchange and public holiday.
Member/holder of shares/ securities holder	- means any person/persons for the time being holding shares in the Company and whose name appears in the Register of Members including depositors whose name appear on the Record of Depositors (except Bursa Malaysia Depository Nominees Sdn Bhd) and who shall be treated as if he was a Member pursuant to Section 35 of the Central Depositories Act but excludes the Bursa Depository in its capacity as a bare trustee.
Office	- means the registered office for the time being of the Company.
Record of Depositors	- means the record of depositors provided by the Bursa Depository to the Company in accordance with the provisions of the Rules.
Registrar	- means such person, firm or company which for the time being maintains in Malaysia, the register of securities holders.
Rules	- means the Rules of the Bursa Depository as defined under the Central Depositories Act and any modification or amendment thereto for the time being in force.
Seal	- means the Common Seal of the Company or in appropriate case the official seal.
Secretary	- means any person or persons appointed to perform the duties of the secretary of the Company in accordance with the Act and shall include a joint, temporary, assistant or deputy secretary.
securities	- means securities as defined in Section 2(1) of the Capital Markets and Service Act, 2007 or any modification, amendment or re-enactment thereof for the time being in force.

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- Securities Account - means an account established by the Bursa Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor, as permit in the Central Depositories Act and/or the Rules.
- shares - means issued share of the Company and includes stock except where a distinction between stock and share is expressed or implied.

In this Constitution, unless there is something in the subject or context inconsistent with such construction or unless it is otherwise expressly provided:-

- (a) reference to "writing" shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words, letter, figures or marks in a visible form or in other form or manner; whether in hard copy or in electronic form sent by way of an electronic communication or otherwise in a form that allows the document and/or information to be easily accessible and reproduced into written, electronic or visible form;
- (b) words denoting the singular number only shall include the plural number and vice versa, and words importing the masculine gender only shall include the feminine and neuter genders and the word "person" shall include a corporation, partnership, unincorporated body and any other entity;
- (c) any reference to a statutory provision includes any modification, consolidation or re-enactment thereof for the time being in force, and all statutory instruments or orders made pursuant thereto; and
- (d) save as aforesaid, words or expressions contained in this Constitution shall be interpreted in accordance with the provisions of the Interpretation Acts 1948 and 1967, as amended from time to time and any re-enactment thereof.

The headings are inserted for convenience only and shall not affect the construction of this Constitution.

#### **THE COMPANIES ACT 2016**

6. The provisions set out in the Companies Act 2016 which may be modified or substituted by the provisions of this Constitution shall not apply to the Company except so far as the same are repeated or contained in this Constitution.

#### **SHARES**

7. Class of shares

The capital of the Company is its issued share capital. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as to dividend, capital, voting or otherwise.

8. Alteration of share capital

Subject always to the respective rights, terms and conditions mentioned in Clause 7 hereof, the Company shall have the power to increase or reduce the capital, to consolidate or subdivide the shares into shares of larger or smaller amounts and to issue all or any part of the original or any additional capital as fully paid or partly paid shares, and with any special or preferential rights or privileges, or subject to any special terms or conditions and either with or without any special designation, and also from time to time to alter, modify, commute, abrogate or deal with any such privileges, terms, conditions or designations in accordance with the regulations for the time being of the Company.

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9. Issue of shares

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the Act, Central Depositories Act, the Listing Requirements and the conditions, restrictions and limitations expressed in this Constitution, the Directors may issue and allot shares or grant rights to subscribe for or otherwise dispose of the unissued shares in the Company to such person(s), at such time and on such terms and conditions, with such preferred or deferred or other special rights, as they think proper, provided that:-

- (a) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the Members in general meeting;
- (b) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in the resolution creating the same;
- (c) in the case of shares offered to the public or offered pursuant to a prospectus that is registered under the Capital Markets and Services Act, 2007, for subscription the amount payable on application on each share shall not be less than five per centum (5%) of the offer price of the share;
- (d) notwithstanding the existence of a resolution pursuant to Sections 75 and 76 of the Act, no shares or convertible securities shall be issued of those shares or convertible securities, when aggregated with any such shares or convertible securities issued during the preceding twelve (12) months, exceeds ten per centum (10%) of the total number of issued shares (excluding treasury shares, if any) of the Company, except where the shares or convertible securities are issued with the prior approval of the Members in general meeting of the precise terms and conditions of the issue; and
- (e) no Director shall participate in a scheme that involves a new issuance of shares or other convertible securities to employees unless the Members in a general meeting have approved the specific allotment to be made to such Director.

10. Crediting of Securities Account

All new issues of securities for which listing is sought shall be by way of crediting the Securities Accounts of the allottees with such securities with the Bursa Depository or the authorised depository agent (as the case may be) save and except where it is specifically exempted from compliance with Section 38 of the Central Depositories Act, in which event it shall so similarly be exempted from compliance with this requirement. For this purpose, the Company must notify the Bursa Depository of the names of the allottees and all such particulars required by the Bursa Depository, to enable the Bursa Depository to make the appropriate entries in the Securities Accounts of such allottees.

11. Allotment and despatch of notices of allotment

Subject to the Act, the Central Depositories Act and the Rules, the Company shall issue and allot securities, despatch notices of allotment to the allottees and make an application for quotation of such securities within such period as prescribed under the Listing Requirements.

12. Issue of preference shares

Subject to the Act and the Listing Requirements, any preference shares may with the sanction of an ordinary resolution be issued on the terms that they are or at the option of the Company are liable to be redeemed and the Company shall not issue preference shares ranking in priority over preference shares already issued but may issue preference shares ranking equally therewith.

- (a) The holders of preference shares shall have the same rights as the holders of ordinary shares in relation to receiving notices, reports and audited financial

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statements and attending general meetings of the Company but shall only have the right to vote in each of the following circumstances:-

- (i) where the dividend or part of the dividend on such shares is in arrears for more than six (6) months;
  - (ii) on a proposal to reduce the Company's share capital;
  - (iii) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
  - (iv) on a proposal that affects rights attached to the preference shares;
  - (v) on a proposal to wind up the Company; and
  - (vi) during the winding up of the Company.
- (b) The holder of a preference share shall be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up.
- (c) The preference shares shall be redeemable only if the shares are fully paid up and the redemption shall be out of :-
- (i) profits;
  - (ii) a fresh issue of shares; or
  - (iii) capital of the Company.

The redemption of shares out of the capital referred to in Clause 12(c)(iii) shall only be redeemed subject to the solvency statement made by the all directors under Section 113 of the Act.

13. Restriction on use of Company funds

The Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company, nor shall the Company make a loan for any purpose whatsoever on the security of its shares or those of its holding company, but nothing in this Constitution shall prohibit transactions mentioned in the proviso to Section 123 of the Act or the purchase by the Company of its own shares pursuant to Clause 14 and Section 127 of the Act.

14. Purchase of own shares

- (1) Subject to the provisions of the Act and the rules, regulations, orders, guidelines or requirements issued by the Exchange and/or any other relevant authority from time to time, the Company may by ordinary resolution to purchase its own shares or enter into a contract under which it will or may purchase any of its shares of any class, including redeemable shares provided that:-
- (a) the Company is solvent at the date of the purchase and will not become insolvent by incurring the debts involved in the obligation to pay for the shares so purchased;
  - (b) the purchase is made through the Exchange on which the shares are quoted and in accordance with the relevant rules of the Exchange;
  - (c) the purchase is made in good faith and in the interests of the Company.

Any shares in the Company, so purchased by the Company, shall be dealt with in accordance with the Act and the guidelines or requirements issued by the Exchange and/or any other relevant authority from time to time.

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- (2) Neither the Company nor the Board shall be required to select the shares to be purchase rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares.

15. Commission on subscription of shares

In addition to all other powers of paying commissions, the Company (or the Board on behalf of the Company) may exercise the powers conferred by Section 80 of the Act of applying its shares or capital moneys in paying commissions to persons subscribing or procuring subscriptions for shares of the Company, or agreeing so to do whether absolutely or conditionally, provided that the percentage or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and shall not exceed ten per centum (10%) of the price at which the shares in respect whereof the commission is paid are issued or an amount equivalent thereto. The Company (or the Board on behalf of the Company) may also on any issue of the shares pay such brokerage as may be lawful.

16. Interest on capital during construction of work on building

Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest on so much of such share capital as is for the time being paid up for the period and subject to the condition and restrictions mentioned in Section 130 of the Act, and may charge the same to capital as part of the cost of construction of the works, buildings or plant.

17. Compliance with requirements

The Company shall duly observed and comply with the provisions of the Act and the Listing Requirements from time to time prescribed by the Exchange applicable to any allotment of its shares.

18. Trust not to be recognised

Except only as otherwise expressly provided by this Constitution or as required by law or as provided under the Rules or pursuant to any order by court, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or unit of a share, or (except only as by this Constitution or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the person registered as the holder of the share.

19. Information of shareholding

- (1) The Company may by notice in writing require any Member of the Company, within such reasonable time as is specified in the notice:-
- (a) to inform the Company whether he holds any voting shares in the Company as beneficial owner or as trustee; and
  - (b) if he holds them as trustee, to indicate so far as he can, the persons for whom he holds the voting shares by name and by other particulars sufficient to enable those persons to be identified and the nature of their interest.
- (2) Where the Company is informed in pursuance of a notice given to any person under Clause 19(i) hereof that any other person has an interest in any of the voting shares in the Company, the Company may by notice in writing require that other person within such reasonable time as is specified in the notice:-

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- (a) to inform the Company whether he holds that interest as beneficial owner or as trustee; and
  - (b) if he holds the interest as trustee, to indicate so far as he can the persons for whom he holds such interest by name and by other particulars sufficient to enable them to be identified and the nature of their interest.
- (3) The Company may by notice in writing require a Member to inform the Company, within such reasonable time as is specified in the notice, whether any of the voting rights carried by any voting shares in the Company held by him are the subject of an agreement or arrangement under which another person is entitled to control his exercise of those rights and, if so, to give particulars of the agreement or arrangement and the parties to such agreement or arrangement.

#### **DISPOSAL OF SHARES OF MEMBERS WHOSE WHEREABOUTS UNKNOWN**

20. Disposal of shares of Members whose whereabouts are unknown

- (1) Subject to the provisions of the Central Depositories Act and the Rules, where by the exercise of reasonable diligence the Company is unable to discover the whereabouts of a Member for a period of not less than ten (10) years, the Company may cause an advertisement to be published in a newspaper circulating in the place shown in the Register of Members or the Record of Depositors as the address of the Member stating that the Company after expiration of thirty (30) days from the date of the advertisement intends to transfer the shares to the Minister charged with responsibility for finance.
- (2) If after the expiration of thirty (30) days from the date of the advertisement the whereabouts of the Member remain unknown, the Company may appoint a person to sign (on behalf of such Member) any transfer of the shares held by the Member and other documents needed for the transfer of those shares to the Minister charged with responsibility for finance.
- (3) The Company may exercise all its rights and duties under Unclaimed Moneys Act, 1965 in relation to a share. These include, dividends and other money payable and all other things related to that share, as far as Unclaimed Moneys Act, 1965 covers.

#### **CERTIFICATES**

21. Share certificates

- (1) Every Member shall be entitled to receive share certificate (in respect of shares that are not Deposited Securities) in accordance with the Act.
- (2) No Member is entitled to a certificate in respect of any Deposited Security except in accordance with the Central Depositories Act and the Rules and any applicable law.
- (3) Bursa Depository or its nominee company shall be entitled to receive jumbo certificates in denominations requested by the Bursa Depository or its nominee company for shares that are Deposited Securities.
- (4) The Company may issue jumbo certificates in respect of shares or securities in favour of Bursa Depository as may be directed by the Securities Commission or Bursa Depository pending the crediting of shares or securities into the securities account of the person entitled to such shares or securities or as may be prescribed by the Central Depositories Act and the Rules provided always that every certificate shall be issued under the Share Seal or Seal in such form as the Board shall from time to time prescribe and shall bear the facsimile signature of at least one Director and a second Director or the Secretary or some other person appointed by the Board, and shall specify the number and class of shares or securities to which it relates and the issue price of the shares or securities.

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## VARIATION OF RIGHTS

22. Alteration of preferential shareholders' rights

Notwithstanding Clause 23, the repayment of preference share capital other than redeemable preference share capital, or any other alteration of preference shareholder rights, shall only be made pursuant to a special resolution of the preference shareholders concerned, provided always that where the necessary majority for such special resolution is not obtained at the meeting, consent in writing obtained from the holders not less than seventy five per centum (75%) of the total voting rights of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

23. Modification of class rights

Subject to the provisions of Sections 71 and 91 of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of not less than seventy five per centum (75%) of the total voting rights of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply; so that the necessary quorum shall be two (2) persons at least holding or represented by proxy or by attorney holding not less than one-third (1/3) of the total voting rights of the class (but so that if at any adjourned meeting of such holders, a quorum as above defined is not present, the holders present shall form a quorum), excluding any shares of that class held as treasury shares and that any holder of shares of the class present in person or by proxy may demand a poll and shall be entitled on a poll to one vote for every such share held by him. To every such special resolution, the provisions of Section 292 of the Act shall, with such adaptations as are necessary, apply.

24. No alteration of rights by issuance of new shares

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

## CALLS ON SHARES

25. Directors may make calls

The Directors may from time to time make such calls upon the Members as the Directors may think fit in respect of the amounts unpaid on their shares and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall exceed one-fourth (1/4) of the issued price of the shares or be payable at less than thirty (30) days from the date fixed for the payment of the last preceding call. Except in the case of calls payable at fixed times pursuant to the conditions of allotment, each Member shall be entitled to receive at least fourteen (14) days' notice specifying the date, time and place of payment, pay to the Company the amount called on his shares.

26. Payment of calls

Any call may be made payable either in one sum or by instalments, and each Member upon whom a call is made is liable to pay the amount of the call to the Company and at the date, time and place appointed by the Directors. Joint-holders of a share shall be jointly and severally liable for the payment of all calls in respect thereof and any interest accrued thereon. A call may be 8

27. When a call deemed to be made

A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.



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28. Members not entitled to privileges of membership until all calls paid

No Member shall be entitled to any dividend or to exercise any privilege as a Member upon shares on which there are unpaid calls until he shall have paid all calls for the time being due and payable on such shares held by him whether alone or jointly with any other person including interest and expenses (if any).

29. Directors may differentiate between holders

The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls or instalments to be paid and the times of payment of such calls.

30. Terms of issue may be treated as calls

A sum which by the terms of issue of a share is made payable upon allotment or at any fixed date shall, for all purposes of this Constitution, be deemed to be a call duly made and payable on the date on which by the terms of issue becomes payable, and in case of non-payment all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

31. Interest on calls in arrears

If a sum in respect of a call is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest or compensation on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding eight per centum (8%) per annum, as the Directors may determine (or failing such determination, then at the rate of eight per centum (8%) per annum) but the Directors shall be at liberty to waive payment of such interest or compensation in whole or in part.

32. Payment on calls in advance

The Directors may, if they think fit, receive from any Member willing to advance the payment, all or any part of the moneys payable in respect of any share held by him beyond the amount of the calls actually made thereon and upon the moneys so advanced, or so much thereof as shall from time to time exceed the amount of the calls due upon such shares, the Company may pay interest or return at such rate not exceeding eight per centum (8%) per annum, as may be agreed between the Member paying the sum in advance and the Directors but any amount so for the time being paid in advance of call shall not be included or taken into account in ascertaining the amount of dividend payable upon the shares in respect of which such advance has been made, and until appropriated toward the satisfaction of any call shall be treated as a loan to the Company and not as part of its capital and shall be repayable at any time if the Directors so decide. Any capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits. Except in liquidation, sums paid in advance of calls shall not, until the same would but for such advance have become payable, be treated as paid up on the shares in respect of which they have been paid.

33. Evidence in action for call

At the trial or hearing of any action or other proceeding for the recovery of any money due for any call it shall be sufficient to prove that the name of the Member sued is entered in the Register of Members or Record of Depositors as the holder or one of the holders of the shares in respect of which such call was made, that the resolution making such call is duly recorded in the minute book and that notice of such call was duly given to the Member sued according to the provisions of this Constitution and it shall not be necessary to prove the appointment of the Directors who made such call, nor that the meeting at which any call was made was duly convened and constituted nor any other matters whatsoever but the proof of the matters aforesaid shall be conclusive evidence of a debt due from the Members sued to the Company.

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## FORFEITURE AND SURRENDER OF SHARES

34. Notice to pay calls

If any Member fails to pay the whole or any part of any call or instalment of a call on the day appointed for the payment thereof, the Directors, may at any time thereafter, during such time as any part of the call or instalment remain unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest at such rate not exceeding eight per centum (8%) per annum or at such rate as the Directors shall determine from time to time from the date appointed for the payment, on the money, for the time being unpaid if the Board thinks fit to enforce payment of such interest or compensation, which may have accrued.

35. Particulars in notice

The notice shall name a further day (not being less than fourteen (14) days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and the place appointed, the shares in respect of which such call was made will be liable to be forfeited.

36. Forfeiture on non-compliance of notice

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends which shall have been declared on the forfeited shares and not actually paid before the forfeiture. The Directors may accept the surrender of any share liable to be forfeited hereunder.

37. Annulment of forfeiture

Notwithstanding any such forfeiture as aforesaid, the Directors may at any time before the forfeited share has been otherwise disposed of, annul the forfeiture upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share and upon such further terms as they think fit.

38. Forfeited share becomes property of Company

Subject to the Central Depositories Act and the Rules, a share so forfeited or surrendered shall become the property of the Company and may be re-sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto, or to any other person upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid.

39. Liability on forfeiture

A person whose shares have been forfeited or surrendered shall cease to be a Member in respect of the forfeited or surrendered shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture or surrender were payable by him to the Company in respect of the shares (together with interest or compensation at the rate of eight per centum (8%) per annum from the date of forfeiture or surrender on the money for the time being unpaid if the Directors think fit to enforce payment of such interest or compensation) but his liability shall cease if and when the Company receives payment in full of all such moneys in respect of the shares.

40. Results of forfeiture

The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the Member whose share is forfeited and the

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Company, except only such of those rights and liabilities as are by this Constitution expressly saved or as are by the Act given or imposed in the case of past Members.

41. Evidence of forfeiture

A statutory declaration in writing that the declarant is a Director of the Company, and that a share in the Company has been duly forfeited or surrendered or sold to satisfy a lien on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

42. Procedure for sale of forfeited shares

The Company may receive the consideration, if any, given for the forfeited share on any sale or disposition thereof and the Directors may authorise some person to execute a transfer of the share in favour of the person to whom the share is sold or otherwise disposed of, and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase monies, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or other disposal of the share. Subject to any lien for sums not presently payable, if any, any residue of the proceeds of sale of shares which are forfeited and sold or disposed of, after the satisfaction of the unpaid calls or instalments payable at fixed times and accrued interest and expenses shall be paid to the person entitled to the shares immediately before the forfeiture thereof or his executors, administrators or assignees or as he directs.

43. Application of forfeiture provision

The provisions of this Constitution as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable to the Company at a fixed time, as if the same had been payable by virtue of a call duly made and notified.

44. Notice of forfeiture

When any share has been forfeited in accordance with this Constitution, notice of the forfeiture shall forthwith be given to the holder of the share or to the person entitled to the share by reason of the death or bankruptcy as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof shall forthwith be made in the Register of Members or Record of Depositors opposite to the share but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry aforesaid.

**LIEN**

45. Company's lien on shares and dividends

The Company shall have a first and paramount lien on every share (not being a fully paid up share), such lien to be restricted to:-

- (a) unpaid calls and installments upon the specific shares in respect of which such moneys are due and unpaid;
- (b) if the shares were acquired under an employee share option scheme, amounts which are owed to the Company for acquiring them; and
- (c) such amounts as the Company is required by law to pay, and has paid, in respect of the shares of a Member or deceased Member.

In each case, the Company's lien, if any, on share shall extend to all dividends payable thereon and other reasonable interest and expense incurred by the Company because the amount payable is not paid. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Clause.

46. Power to enforce lien by sale

The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made until such time as a sum in respect of which the lien exists is presently payable, and until there is default payment of the same at the expiration

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of fourteen (14) days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.

47. The Directors may effect transfer

To give effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and the Directors shall not be bound to see to the application of the purchase money, nor shall the purchaser's title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

48. Application of proceeds of sale

The proceeds of any such sale after payment of the amount of interests and costs relating to the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a similar lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale or his executors, administrators or assignees or as he directs.

### TRANSFER OF SHARES

49. Transfer of securities by book entry

The transfer of any Deposited Securities or class of Deposited Securities in the Company shall be by way of book entry by the Bursa Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such Deposited Security.

50. Execution

The instrument of transfer of a share shall be executed by or on behalf of the transferor and transferee, subject to the compliance with the Central Depositories Act and the Rules.

51. Non-Deposited Securities and others

(a) Subject to the Central Depositories Act and the Rules, any holder of securities that is not a Deposited Security may transfer all or any of his securities that is not a Deposited Security by instrument in writing in the form prescribed by the Act, the Central Depositories Act or the Rules and if no such form is prescribed then in such form as may be prescribed by the Company, the instrument of transfer of any such securities that is not a Deposited Security shall be executed by or on behalf of the transferor and the transferee and left at the Office or such other place as the Directors may appoint accompanied by the certificate or certificates of such securities that is not a Deposited Security to be transferred (if any) and such other evidence (if any) as the Directors may require to prove the title of the intending transferee and that the intending transferee is a qualified person viz. not an infant, bankrupt or person of unsound mind.

(b) In respect of the transfer of securities that is not a Deposited Security, the Company shall enter or cause to be entered the name of the transferee in the Register of Members as Member within thirty (30) days from the receipt of the instrument of transfer, provided always that:

(i) the Directors may refuse or delay to register any transfer of shares not being fully paid shares and may also decline to register any transfer of shares on which the Company has a lien;

(ii) if the Directors refuse to register a transfer, they shall pass a resolution to refuse or delay the registration of the transfer within thirty (30) days from the receipt of the instrument of transfer and the resolution sets out in full the reasons for refusing or delaying the registration;

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- (iii) the notice of the resolution and the reasons referred to in Clause 51(b)(ii) above is sent to the transferor and to the transferee within seven (7) days of the resolution being passed.
- (c) The Directors may decline to recognise the instrument of transfer in respect of securities that is not a Deposited Security unless:
  - (i) the instrument of transfer is duly stamped in accordance with the law in regard to the payment of stamp duty for the time being in force and such fee not exceeding Ringgit Malaysia (RM3.00) only per transfer is paid to the Company in respect thereof or such sum as the Company may be permitted by law governing the registration of transfer of securities.
  - (ii) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by the certificate or certificates of the securities to which it relates and such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and
  - (iii) the instrument of transfer is in respect of only one class of securities.
- (d) Neither the Company or the Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of Deposited Securities or securities that is not a Deposited Security although the same may, by reason of any fraud or other cause not known to the Company or the Directors or other officers, be legally inoperative or insufficient to pass the property in the Deposited Securities or the securities that is not a Deposited Security proposed or professed to be transferred, and although the transfer may, as between the transferor or transferee, be liable to be set aside. In every such case, the person registered as transferee, his executors, administrators and assignees, subject to compliance the Act, Central Depositories Act and the Rules, alone shall be entitled to be recognised as the holder of such Deposited Securities or the securities that is not a Deposited Security and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.
- (e) Registration of transfers of any securities may be suspended at such times and for such periods as the Directors may from time to time determine but so that no part of the Register of Members shall be closed for more than thirty (30) days in aggregate in any calendar year. At least ten (10) Market Days' notice (or such other minimum period may as may be prescribed by the Exchange) notice of such suspension or of any books closing date shall be given to the Exchange and stating the period and purpose of such suspension of closure. In relation to the suspension or books closing, the Company shall give written notice to the Bursa Depository to issue the appropriate Records of Depositors in accordance with the Central Depositories Act and the Rules within such time as is required by the Bursa Depository to issue the relevant Record of Depositors.
- (f) Subject to the Act, the Central Depositories Act and the Rules, no shares shall in any circumstance be transferred to any infant, bankrupt or person of unsound mind.

#### **TRANSMISSION OF SHARES**

##### **52. Death of Member**

In the case of death of a Member, the survivors, where the deceased was a joint holder, and the legal representatives of the deceased, where he was a sole holder, shall be the only person recognised by the Company as having any title to his interest in the shares, otherwise he testify his election by executing the transfer to another person, but noting herein contained shall release the estate of the deceased Member from any liability in respect of any share which had been held by him alone or jointly with some other person.

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53. Share of deceased or bankrupt Member

Subject to any other provisions of this Constitution, any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as may from time to time properly be required by the Directors, and subject as hereinafter provided, elect either to be registered himself as a holder of the share (in respect of which registration the Company may require payment to of such fee, as the Directors may from time to time determine) or to have some other person nominated by him registered as the transferee thereof; but the Directors shall, in either case have the same right and power of refusing to register or suspending such transfer as it would have had in the case of a transfer of the share by that Member before his death or bankruptcy, as the case may be provided that where the share is a Deposited Security, a transfer or withdrawal of the share may be carried out by the person becoming so entitled in accordance with the Central Depositories Act and the Rules.

54. Election of person entitled to be registered himself

If the person so becoming entitled to shares in consequence of the death or bankruptcy of any Member shall elect to have the shares that is not a Deposited Security to be transferred to him, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects; and in relation to Deposited Securities, subject to the Central Depositories Act and the Rules, the person so becoming entitled shall elect to have the shares transferred to him, the notice must be served by him on the Bursa Depository. If he shall elect to have the shares that is not a Deposited Security transferred to another person, he shall testify his election by executing to that person a transfer of the share; and in relation to Deposited Securities, he shall send a notice in writing to the Company and the Bursa Depository to the effect and execute the instrument as may be prescribed by the Bursa Depository. All the limitations, restrictions and provisions of this Constitution relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice of transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer is a transfer signed by that Member.

55. Notice requiring registration of transfer

The Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied within ninety (90) days, the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until compliance has been made with the requirements of such notice.

56. Rights on death or bankruptcy

A person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall be entitled upon the production of such evidence as may from time to time be properly required by the Directors and the Bursa Depository in that behalf and subject to the Central Depositories Act and the Rules, to receive all dividends or other moneys payable in respect of the shares, to receive notices of or to attend or vote at any meeting and to exercise any of the rights and privileges of a Member. Where two (2) or more persons are jointly held to any share in consequence of the death or bankruptcy of the holder of the share they shall, for the purposes of the Constitution, be deemed to be the joint holders of the share.

57. Transmission of securities between registers

Where:-

- (a) the securities of the Company are listed on another stock exchange; and
- (b) the Company is exempted from compliance with Section 14 of the Central Depository Act or Section 29 of the Securities Industry (Central Depositories)(Amendment) Act, 1998, as the case may be, under the Rules in respect of such securities,

the Company shall, upon the request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the Registrar of the Company in the jurisdiction of the other stock exchange, to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.

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### **CONVERSION OF SHARES INTO STOCKS**

58. Conversion of shares into stock

The Company may, from time to time, by ordinary resolution passed at general meeting convert all or any of its fully paid up shares into stock and may from time to time, in like manner, re-convert any such stock into paid up shares of any denomination.

59. Holders of stock may transfer their interest

The holders of stock may transfer the same or any part thereof in the same manner and subject to which the shares from which the stock arose might, before the conversion, have been transferred or as near thereto as circumstances admit; but the Directors may from time to time, if they think fit, fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum.

60. Participation in dividends and profits.

The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards dividends, participation in assets on a winding up, voting at meetings of the Company and other matters as would have been conferred by the shares from which the stock arose, but so that none of such rights, privileges or advantages, (except participation in dividends and profits of the Company and in assets on a winding up) shall be conferred by an amount of the stock which would not, if existing in shares, have conferred such rights, privileges or advantages.

61. Application of this Constitution

All such Clauses of this Constitution as are applicable to paid-up shares shall apply to stock and in all such provisions the word "share" shall include "stock" and the words "shareholder" and "Member" shall include "stockholder".

### **INCREASE OF CAPITAL**

62. Power to increase capital

The Company may from time to time, whether all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company may direct in the resolution authorising such increase.

63. Issue of new shares to existing Members

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities of whatever kind shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause.

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64. Ranking of new shares

Except so far as otherwise provided by the conditions of issue, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company. All new shares shall be subject to the provisions herein contained with reference to allotments, the payment of calls and instalments, transfer, transmission, forfeiture, lien and otherwise as the original share capital and shall also be subject to the Rules.

**ALTERATION OF CAPITAL**

65. Power to alter capital

The Company may from time to time by ordinary resolution:-

- (a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;
- (b) subdivide its shares capital or any part thereof, whatever is in the subdivision, the proportions between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;
- (c) cancel any shares which at the date of the passing of the resolution which have been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled; and
- (d) subject to the provisions of this Constitution and the Act, convert and/or re-classify any class of shares into any other class of shares.

Anything done in pursuance of this Clause shall be done in a manner provided and subject to any conditions imposed by the Act so far as they shall be applicable, and so far as they are not applicable, in accordance with the terms of the resolution authorising the same, and so far as such resolution shall not be applicable, in such manner as the Directors deem expedient in the best interest of the Company.

66. Power to reduce capital

The Company may by special resolution in accordance with Section 115 of the Act reduce its share capital in the manner as authorised by law.

**GENERAL MEETINGS**

67. Annual general meeting

The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, within six (6) months of the Company's financial year and not more than fifteen (15) months shall elapse between the date of one annual general meeting and that of the next.

68. Extraordinary general meeting

All general meetings other than annual general meetings shall be called extraordinary general meetings.

69. Convening of general meetings

All general meetings shall be held at such time, day and place as the Directors shall determine. Every notice of a general meeting shall specify the meeting as such and every meeting convened for passing a special resolution shall state the intention to propose such resolution as a special resolution. The Board may whenever it so decides by resolution convene a meeting of Members other than an annual general meeting



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70. Venue of general meeting

General meeting may be held at more than one venue using any technology or method that allow all Members of the Company to participate and to exercise the Members' rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of Members subject to rules, regulations and laws prevailing. The main venue of all general meetings shall be within Malaysia at such time and place as the Board shall determine. The chairman shall be present at that main venue of the meeting.

71. Convening and requisition of extraordinary general meeting

The Directors may whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on any requisition made in accordance with Section 311 of the Act, or if the Company makes default in convening a meeting in compliance with a requisition received pursuant to Section 311 of the Act, a meeting may be convened by such requisitionists in the manner provided in Section 313 of the Act. Any meeting convened by requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors.

72. Notices of meetings

(1) An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by not less than twenty-one (21) days' notice in writing. In respect of all other extraordinary general meetings, at least fourteen (14) days' notice before the meetings shall be given to all Members (other than those who under the provisions of this Constitution or the terms of issue of the shares held by them are not entitled to receive notices of general meetings of the Company), to the Directors and Auditors for the time being of the Company. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the time of meeting and, in the case of special business shall also specify the general nature of that business and shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall also be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.

Provided that in respect of Deposited Securities:-

- (a) The Company shall request the Bursa Depository in accordance with the Rules, to issue a Record of Depositors to whom notices of general meetings shall be given by the Company.
- (b) The Company shall request the Bursa Depository in accordance with the Rules to issue a Record of Depositors as at the latest date which is reasonable practicable which shall in any event be not less than three (3) Market Days before the general meeting (hereinafter referred to as the "General Meeting Record of Depositors").
- (c) Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable) and notwithstanding any provision in the Act, a depositor shall not be regarded as a Member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.

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- (2) Notice of a general meeting shall be in writing or Document which is required to be given, sent or served under the Act or under the Constitution and shall be given to the Members either:-
  - (a) in hard copy; or
  - (b) in electronic form; or
  - (c) partly in hard copy or partly in electronic form.
- (3) A notice or Document:-
  - (a) given in hard copy shall be sent to any Member/securities holder either personally or by post to the address supplied by the Member/securities holder to the Company for such purposes; or
  - (b) given in electronic form shall be transmitted to the electronic address provided by the Member/securities holder to the Company for such purpose or by publishing on a website.
- (4) Notice of a general meeting or Document shall not be validly given by the Company by means of a website unless a notification to that effect is given in accordance with Section 320 of the Act.
- (5) The Company shall notify Members/securities holder of the publication of the notice or Document on the website and the designated website link or address where a copy of Document may be downloaded and such notifications shall be in writing and shall be given in hard copy or electronic form stating:-
  - (a) that it concerns a general meeting;
  - (b) the place, date and time of the meeting; and
  - (c) whether the meeting is an annual general meeting.

If the Company sends the notice or Document or notifications through electronic mail, there must be proof of electronic mail delivery. In the event of delivery failure, the Company shall send for a hard copy of the notice or Document to him.
- (6) The notice or Document shall be made available on the website throughout the period beginning from the date of the notification referred to in Clause 72(5) until the conclusion of the meeting.
- (7) The contact details of the Member/securities holder as provided to the Bursa Depository shall be deemed as the last known address provided by the Member to the Company for purposes of communication with the Member.
- (8) where any Member/securities holder requests for a hard copy of Document, the Company shall forward a hard copy of this Document to the Member/securities holder as soon as reasonably practicable after the receipt of the request, free of charge.
- (9) Where it relates to Document required to be completed by Members/securities holders for a right issue or offer for sale, the Company must send this Document through electronic mail, in hard copy or in any other manner as the Exchange may prescribe from time to time.

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73. Business at general meeting

Subject always to the provisions of the Act, no business shall be transacted at an extraordinary general meeting except business of which notice has been given in the notice convening the meeting and no business shall be transacted at an annual general meeting, other than the business of which notice has been given as aforesaid, with the exception of the laying of the audited financial statements and the report of the Directors and Auditors, the fixing of the Directors' fees and benefits payable, the election of Directors in the place of those retiring by rotation or otherwise, and the appointment of and fixing of the remuneration of the Auditors.

74. Entitlement to appoint proxy

A Member of the Company is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote at a general meeting of the Company. In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a Member entitled to attend and vote at a meeting of the Company, or at a meeting of any class of Members of the Company, may appoint more than one (1) proxy to attend, participate, speak and vote in his stead at the meeting. A proxy may vote only as directed in the proxy form. However, if the appointor or representative attends and votes on a resolution, the proxy or attorney shall not be allowed to vote on the same.

A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy and for the avoidance of doubt, there shall be no restriction as to the qualification of the proxy but must be of full age of eighteen (18) years and above.

75. Omission to give notice

The accidental omission to give notice of any meeting to or the non-receipt of the notice of a meeting by, any person entitled to receive notice shall not invalidate any resolution passed or the proceedings held at any such meeting.

76. Call of meetings by shorter notice

A meeting shall, notwithstanding that it is called by notice shorter than is required by Clause 72(1), be deemed to be duly called if it is so agreed,

- (a) in the case of a meeting called as the annual general meeting, by all the Members entitled to attend and vote thereat; or
- (b) in the case of an extraordinary general meeting, by a majority in number of the Members having a right to attend and vote thereat, being a majority which together holds not less than ninety five per centum (95%) of the shares giving a right to attend and vote.

77. Resolution requiring special notice

Whereby the Act special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty-eight (28) days before the meeting at which it is moved, and the Company shall give its Members notice of any such proposed resolution at the same time and in the same manner as it gives notice of the meeting or, if that is not practicable, shall give them notice thereof, in any manner allowed by this Constitution not less than fourteen (14) days before the meeting, but if after notice of the intention to move such a resolution has been given to the Company, a meeting is called for a date twenty-eight (28) days or less after the notice has been given, the notice although not given to the Company within the time required by this Constitution shall be deemed to be properly given.

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78. Power of Members to require circulation of resolutions and statements

Subject to Section 323 of the Act, any Member may require the Company to give a notice of a resolution which may be properly moved at any general meeting, or circulate any statement pertaining to such resolution or such other business to be dealt with at the meeting, to the Members of the Company entitled to receive notice of a general meeting. The Company shall not be bound to give notice of such resolution, or circulate any statement unless the Member shall have served at the Office a copy of the requisition signed by the Member:

- (a) in the case of a requisition requiring notice of a resolution, at least twenty-eight (28) days before the meeting; and
- (b) in the case of any other requisition, at least seven (7) days before the meeting.

The above requisition shall contain (i) the proposed resolution; (ii) a statement of its intention to submit the proposed resolution at that meeting of Members; and (iii) statements of not more than one thousand (1000) words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

### PROCEEDINGS AT GENERAL MEETINGS

79. Business deemed special

All business shall be deemed special that is transacted at any extraordinary general meeting and also all business that is transacted at an annual general meeting, with the exception of the laying of the audited financial statements and the report of the Directors and Auditors, the fixing of the Directors' fees and benefits payable, the election of Directors in the place of those retiring by rotation or otherwise, and the appointment of and fixing of the remuneration of the Auditors.

80. Quorum

No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, two (2) Members present in person or by proxy or representing a corporation which is a Member shall be a quorum. For the purpose of constituting a quorum:

- (a) one (1) or more representatives appointed by a corporation shall be counted as one (1) Member; or
- (b) one (1) or more proxies appointed by a person shall be counted as one (1) Member.

81. Proceedings if quorum not present

If within half (1/2) an hour after the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of Members, shall be dissolved. If otherwise convened, it shall stand adjourned to the same day in the next week (or if that day be a public holiday, then to the next business day following such public holiday), at the same time and place or to such other day and at such other time and place as the Directors may determine, but if a quorum is not present within fifteen (15) minutes from the time appointed for holding the adjourned meeting, the Members present shall form a quorum and may transact the business for which the meeting was called but no notice of any such adjournment as aforesaid shall be required to be given to the Members.

82. Chairman of general meeting

- (a) The chairman of the Board or in his absence the deputy chairman of the Board (if any), shall preside as chairman at every general meeting, but if there be no such chairman or deputy chairman, or if neither of them be present within fifteen (15) minutes after the time appointed for holding the meeting, or shall decline to take or shall retire from the chair, the Directors present shall choose one of their number to act as chairman of such

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meeting, and if there be no Director chosen who shall be willing to act, the Member(s) or proxy(ies) present and entitled to vote shall elect one of their own number to act as chairman at such meeting. However, a proxy shall not be eligible for election as chairman of the meeting.

- (b) The chairman of a general meeting shall allow a reasonable opportunity for Members at the meeting to question, discuss, comment or make recommendations on the management of the Company. Members shall have the right to pass a resolution under Section 195 of the Act which makes recommendations to the Board on matters affecting the management of the Company. Such recommendations shall only be binding on the Board provided that the recommendations are in the best interest of the Company and are passed as special resolutions.

83. Adjournment with consent of meeting

The chairman may, with the consent of any meeting at which a quorum is present and shall if so directed by the meeting or where the conference telephone, electronic or such other any of the communication facilities referred to in this Constitution have been disconnected, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

84. Voting on resolution

- (1) Subject to the Listing Requirements, any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting shall be voted by poll. Notwithstanding the above, a poll may be demanded in writing:
- (a) by the chairman of the meeting;
  - (b) by at least five (5) Members present in person or by proxy or by attorney or in the case of a corporation by a representative and entitled to vote thereat;
  - (c) by any Member or Members present in person or by proxy or by attorney or in case of a corporation by a representative and representing not less than one-tenth (1/10) of the total voting rights of all the Members having the right to vote at the meeting, excluding any voting rights attached to shares in the Company held as treasury shares; or
  - (d) by a Member or Members present in person or by proxy or by attorney or in case of a corporation by a representative and holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth (1/10) of the total sum paid up on all the shares conferring that right, excluding shares in the Company conferring a right to vote on the resolution which are held as treasury shares.

Provided that no poll shall be demanded on the election of a chairman of a meeting or on any question of adjournment.

- (2) Unless a poll is duly demanded in accordance with the foregoing provisions, a declaration by the chairman of the meeting that a resolution has carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number, proportion or validity of the votes, recorded in favour of or against such resolution.

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85. Proxy's right to demand poll

The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to demand, or join in demanding a poll, and, for the purposes of the last preceding Clause, a demand by a person as proxy for a Member shall be the same as a demand by the Member.

86. Counting of votes

If any votes shall have been counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting or at any adjournment thereof and unless in the opinion of the chairman (whose decision shall be final and conclusive) at the meeting or any adjournment thereof as the case may be, it shall be of sufficient importance to vitiate the result of voting.

87. Taking of poll

A poll shall be taken in such manner and either forthwith or after an interval or adjournment or otherwise as the chairman may direct and the result of the poll shall be the resolution of the meeting at which the poll was taken. The Company shall (and if so directed by the meeting shall) appoint at least one (1) scrutineer which must not be an officer of the Company or its related corporation, and must be independent for the purposes of a poll, and may, in addition to the power of adjourning meetings contained in Clause 83 hereof adjourn the meeting to some place and time for the purpose of declaring the result of the poll.

The poll may be conducted manually using voting slips or tickets or electronically using various forms of electronic voting devices. Such votes shall be counted by the poll administrator, and verified by the scrutineer(s), as appointed by the Company for the purpose of determining the outcome of the resolution(s) to be decided on poll. In case of any dispute as to the admission or rejection of a vote, the chairman shall determine the same, and such determination made in good faith shall be final and conclusive.

88. Time frame for taking poll

Subject to Clause 87, a poll demanded on any question shall be taken either at once or at such time and place as the chairman directs not being more than thirty (30) days from the date of the meeting or adjourned meeting at which the poll was demanded. No notice needs to be given of a poll not taken immediately.

89. Continuance of meeting of other business

The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

90. Withdrawal of poll

The demand for a poll may be withdrawn.

### **VOTE OF MEMBERS**

91. Chairman's casting vote

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to any other vote he may have.

92. Rights and votes of Members

(1) Subject to this Constitution and any rights or restrictions for the time being attached to any class or classes of shares, at meetings of Members or classes of Members, each Member shall be entitled to be present and to vote at any general meeting of the

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Company either personally or by proxy or by attorney and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares upon which all calls due to the Company have been paid.

- (2) Subject to any special rights or restrictions as to voting attached to any class or classes of shares by or in accordance with this Constitution, on a show of hands, a holder of ordinary shares or preference shares who presents as a Member or a Member's representative or proxy or attorney and entitled to vote shall be entitled to one (1) vote on any question at any general meeting and in the case of a poll, every Member present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for every share held by him. A person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses on a poll in the same way.
- (3) Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.

93. Votes of corporation

Any corporation which is a Member of the Company may by resolution of its directors or other governing body authorise such person(s) as it thinks fit to act as its representative(s) either at a particular meeting of the Company, or at all meetings of the Company or of any class of Members and the person so authorised shall, in accordance with his authority and until his authority is revoked by the corporation, be entitled to exercise the same powers subject to Section 333 of the Act on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company.

94. Votes of lunatic, deceased or bankrupt Member

- (1) Any Member being of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other legal guardian or such other person who has been properly appointed to manage his estate. Anyone of such committee or other persons may vote either by proxy or by attorney provided such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty-eight (48) hours before the time appointed for holding the meeting.
- (2) The legal personal representative of a deceased Member or the person entitled under Clauses 52 to 56 to any share in consequence of the death or bankruptcy of any Member may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares provided that not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to any share in consequence of the death or bankruptcy of any Member unless the Directors shall have previously admitted his right to vote in respect thereof.

95. Member barred from voting while call unpaid

No Member shall be entitled to be present or to vote at any general meeting or to exercise any privilege as a Member nor be counted as one of the quorum unless all calls or other sums immediately payable by him in respect of shares in the Company have been paid.

96. Time for objection of any voter's qualification

No objection shall be raised as to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not

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disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

## PROXY

### 97. Appointment of proxy

- (1) The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing or if the Member is a corporation, shall either under its common seal or under the hand of an officer or attorney duly authorised. The Directors may but shall not be bound to require evidence of the authority of any such attorney or officer.
  - (a) Every Member including Authorised Nominee and Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), is entitled to:-
    - (i) 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 general meetings and that such proxy need not be a Member; and
    - (ii) appoint more than one (1) proxy in relation to the meeting provided that the Member specifies the proportion of his shareholdings to be represented by each proxy.
  - (b) Where a Member is an Exempt Authorised Nominee, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
  - (c) Where a Member entitled to vote on a resolution has appointed more than one (1) proxy, the proxies shall only be entitled to vote on poll provided that the Member specifies the proportion of his shareholdings to be represented by each proxy.
- (2) The Company shall be entitled and bound:-
  - (a) to reject any appointment of proxy if the Member is not shown to have any shares entered against his name in the Register of Members and/or the latest Record of Depositors made available to the Company; and
  - (b) to accept as the maximum number of votes which in aggregate the proxy appointed by the Member is able to cast on a poll the aggregate number of shares which is entered against the name of that Member in the Register of Members and/or the latest Record of Depositors made available to the Company whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Member.

The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.

### 98. Form of proxy

The instrument appointing a proxy shall be in such form as the Board may from time to time prescribe or approve.



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99. 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 notarially certified copy of such power or authority, shall be deposited at the Office or at such other place within Malaysia 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 at which the person named in such 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 provided always that the Company may by written notice waive the prior lodgement of the above instrument appointing a proxy and the power of attorney or other authority. The Company may specify a fax number and/or an electronic address in the notice of meeting, for the purpose of receipt of proxy appointments subject to the rules, regulations and laws at that time specified therein.

100. Validity of vote given under proxy

A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid, notwithstanding the previous death or unsoundness of mind of the principal or revocation of the instrument of proxy, or of the authority under which the instrument of proxy was executed, or the transfer of the share in respect of which the instrument of proxy is given, provided that no intimation in writing of such death, unsoundness of mind, revocation or transfer shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting (or in the case of a poll, before the time appointed for the taking of the poll) at which the instrument is used.

101. Notice of termination of appointment of proxy

A Member of the Company is permitted to give the Company notice of termination of a person's authority to act as a proxy not less than twenty-four (24) hours before the time for holding the meeting. The notice of termination must be in writing and be deposited at the Office or at such other place within Malaysia.

102. Appointment of proxy via electronic communication

- (1) The communication between the Company and its Members relating to meetings and resolutions, the supply of information or document or otherwise for the purpose of complying with the Act, may be:
  - (a) in hard copy; or
  - (b) by other methods agreed between the Company and Members.
- (2) Subject to the Act and the Listing Requirements, the Directors or any agent of the Company so authorised by the Directors, may accept the appointment of proxy received by electronic communication on such terms and subject to such conditions as they consider fit. The appointment of proxy by electronic communication shall be in accordance with this Constitution.
- (3) For the purpose of this Clause, the Directors may require such reasonable evidence they consider necessary to determine:-
  - (a) the identity of the Member and the proxy; and
  - (b) where the proxy is appointed by a person acting on behalf of the Member, the authority of that person to make the appointment.
- (4) Without prejudice to this Clause, the appointment of proxy by electronic communication must be received at the electronic address specified by the Company in any of the

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following sources and shall be subject to any terms, conditions or limitations specified therein:-

- (a) Notice calling the meeting;
  - (b) Instrument of proxy sent out by the Company in relation to the meeting; or
  - (c) Website maintained by or on behalf of the Company.
- (5) An appointment of proxy by electronic communication must be received at the electronic address specified by the Company pursuant to this Clause not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person name in the form of appointment of proxy 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.
- (6) An appointment of proxy by electronic communication which is not made in accordance with this Clause shall be invalid.

### **DIRECTORS**

103. First Directors and number of Directors

- (1) The first Directors of the Company were CHEONG YOKE LING and VASANTHI A/P SUBRAMANIAM.
- (2) Until otherwise determined by the Company in general meeting, the number of the Directors shall not be less than two (2) nor more than twelve (12). All the Directors of the Company shall be natural persons.
- (3) The minimum Directors shall ordinarily reside in Malaysia by having a principal place of residence in Malaysia and shall not include an alternate director or substitute director.

104. Share qualification of the Directors

The shareholding qualification for Directors may be fixed by the Company in general meeting and until so fixed, no shareholding qualification for Directors shall be required. All Directors shall be entitled to receive notice of and to attend at all general meetings of the Company.

105. Rotation and retirement of Directors

- (1) An election of Directors shall take place each year at the annual general meeting of the Company where one-third of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election provided always that Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.
- (2) The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- (3) In addition to Clause 105(1) above and subject to and in accordance with the provisions of the Act and the Listing Requirements and such other relevant law, regulation or guideline, Directors who are deemed as independent directors, as defined in the Listing Requirements, shall be subject to annual re-appointment by Members as follows:

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- (a) For an independent director who has served for a cumulative term of nine (9) years, the Company shall provide justification and seek shareholders' approval for his continued service as independent director and the resolution shall be passed by way of an ordinary resolution.
- (b) For an independent director who has served for a cumulative term of twelve (12) years in aggregate, the Company shall provide justification and seek shareholders' approval for his continued service as independent director through a two-tier voting process as defined by the Malaysian Code on Corporate Governance.

106. Notice of candidature as a Director

A retiring Director shall be eligible for election but save as aforesaid and as provided in Clause 112, no person, not being a retiring Director, shall be eligible for election to the office of Director at any general meeting unless a Member intending to propose him for election has, at least eleven (11) clear days before the meeting, left at the Office, a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such Member to propose him for election, provided that in the case of a person recommended by the Directors for election, nine (9) clear days' notice only shall be necessary, and notice of each and every candidature for election to the Board shall be served on all Members at least seven (7) days prior to the meeting at which the election is to take place.

The cost of serving the notice as aforesaid on the registered holders of shares where the nomination is made by a Member shall be borne by the Member making the nomination.

107. When the retiring Director deemed re-elected

The Company at the meeting at which a Director retires may fill the vacated office by electing a person thereto. Unless at that meeting it is expressly resolved not to fill the vacated office or a resolution for re-election of the Director retiring at that meeting is put to the meeting and lost or some other person is elected as a Director in place of the retiring Director, the retiring Director shall, if offering himself for re-election and not being disqualified under the Act from holding office as a Director, be deemed to have been re-elected. A retiring Director shall be deemed to have offered himself for re-election unless he has given notice in writing to the Company that he is unwilling to be re-elected.

108. Election of Directors

At a general meeting at which more than one (1) Director is to be elected, each candidate shall be the subject of a separate motion and vote unless a motion for the appointment of two (2) or more persons as Directors by a single resolution shall have first been agreed to by the meeting without any vote being given against it. Any resolution moved in contravention of this provision shall be void.

109. Increase or reduction of number of Directors

The Company may, from time to time by ordinary resolution passed at a general meeting, increase or reduce the number of Directors, and may also determine in what rotation the increased or reduced number is to retire from office.

110. Alternate Director

- (1) A Director may appoint a person to act as his alternate provided that:-
  - (a) such person is not a Director of the Company;

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- (b) such person does not act as an alternate for more than one (1) Director of the Company;
- (c) the appointment is approved by a majority of the other members of the Board; and
- (d) any fee paid by the Company to the alternate shall be deducted from that Director's remuneration.

The Alternate Director shall not be required to hold any shares in the Company but shall be entitled to receive notices of all meetings and to attend, speak and vote, and generally to exercise all powers, rights, duties and authorities of the appointor, at any such meeting at which the appointor is not present. For the avoidance of doubt, an Alternate Director shall not attend at any meeting at which the Director appointing him is present except by the invitation of the Board. Any appointment so made may be revoked at any time by the appointor or by a majority of the Directors (excluding the Director appointing him). Any appointment or revocation under this Clause shall be effected by notice in writing to be delivered to the Secretary of the Company. An Alternate Director shall ipso facto cease to be an Alternate Director if his appointor for any reason ceases to be a Director.

- (2) If any Director retires by rotation and is re-elected by the meeting or is, pursuant to this Constitution, deemed to be re-elected at the meeting at which such retirement took effect, any appointment made by him of an Alternate Director which was in force immediately prior to the appointor's retirement shall continue to operate after such re-election as if the appointor had not so retired.
- (3) Every person acting as an Alternate Director shall be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults and he shall not be deemed to be the agent of or for the Director appointing him.
- (4) An Alternate Director shall not be taken into account in reckoning the minimum or maximum number of Directors allowed for the time being but he shall be counted for the purpose of reckoning whether a quorum is present at any meeting of the Directors attended by him at which he is entitled to vote.

#### 111. Removal of Directors

The Company may by ordinary resolution of which special notice has been given in accordance with Section 206 of the Act, remove any Director before the expiration of his period of office, notwithstanding any provisions of this Constitution or of any agreement between the Company and such Director but without prejudice to any claim he may have for damages for breach of any such agreement. The Company may by ordinary resolution appoint another person in place of a Director so removed from office and any person so appointed shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy so arising may be filled by the Directors as a casual vacancy.

#### 112. Appointment by the Board of Directors

The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but the total number of Directors shall not at any time exceed the maximum number fixed in accordance with this Constitution. Any Director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

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113. Remuneration of Directors

- (1) The fees of the Directors and any benefits payable to the Directors of the Company and its subsidiaries including any compensation for loss of employment of a Director or former Director shall from time to time be determined by an ordinary resolution of the Company and subject to annual shareholders' approval at a general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office provided always that:-
  - (a) fees payable to non-executive Directors shall be by a fixed sum of money and not by a commission on or percentage of profits or turnover;
  - (b) salaries payable to executive Directors may not include a commission on or percentage of turnover;
  - (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and
  - (d) any fee paid to an Alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.
- (2) Executive director(s) shall, subject to the terms of any agreement (if any) entered into in any particular case, receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Board may from time to time determine.

114. Reimbursement and Special Remuneration

- (1) The Directors (include Alternate Director) shall be entitled to be reimbursed for all travelling or such other reasonable expenses properly and necessarily expended by them as may be incurred in attending and returning from meetings of the Directors or of any committees of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors. In addition to the foregoing, a Director shall be entitled to such reasonable fixed allowance as may be determined by the Directors in respect of any attendance at any meeting and/or the performance of any duty or other things required of him as a Director of the Company.
- (2) If by arrangement with the Directors, any Director shall perform or render any special duties or service's outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may pay the Director remuneration and expenses thereof either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board and such remuneration and expenses may be either in addition or in substitution for his or their share in the remuneration from time to time provided for the Directors.

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115. Vacation of office of Director

- (1) The office of Director shall, ipso facto, be vacated if the person holding that office:-
- (a) is an undischarged bankrupt;
  - (b) has been convicted of an offence relating to the promotion, formation or management of a corporation;
  - (c) has been convicted of an offence involving bribery, fraud or dishonesty;
  - (d) becomes disqualified from being a Director by reason of any order made under the Act or has been convicted of an offence under Sections 213, 217, 218, 228 and 539 of the Act;
  - (e) has been disqualified by Court under Section 199 of the Act;
  - (f) becomes of unsound mind or a person whose person or estate is liable to be death with in any way under the law relating to mental disorder during his term of office;
  - (g) is absent from more than fifty percent (50%) of the total Board meetings held during a financial year unless an exemption or waiver is obtained from the Exchange;
  - (h) subject to Sections 196(3) and 209 of the Act, resigns from his office by notice in writing to the Company and deposited at the Office;
  - (i) is removed from his office of Director by a resolution of the Company in general meeting of which special notice has been given in accordance with the Act or the Constitution of the Company;
  - (j) dies;
  - (k) has retired in accordance with the Act or the Constitution of the Company but is not re-elected; or
  - (l) otherwise vacate his office in accordance with the provisions in the Act or the Constitution of the Company.
- (2) The circumstances referred to in Clause 115(1)(a), (b), (c) and (d) shall be applicable to circumstances in or outside Malaysia.
- (3) If the office of a Director is vacated or any reason, he shall cease to be a member of any committee or sub-committee of the Board.

**POWERS AND DUTIES OF DIRECTORS**

116. General power of Directors to manage Company's business

The business and affairs of the Company shall be managed by or under the direction of the Board who may exercise all such powers of the Company, and do on behalf of the Company all such acts as are within the scope of the Constitution of the Company and by the Act or this Constitution required to be exercised or done by the Company in general meeting, subject nevertheless to this Constitution, to the provisions of the Act, and to such regulations, being not inconsistent with this Constitution, as may be prescribed by the Company in general meeting, but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

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117. Prior approval in general meeting of the Company is required

The Directors shall not without the prior approval of the Company in general meeting:-

- (a) enter or carry into effect any arrangement or execute any transaction for the acquisition of an undertaking or property of a substantial value, or the disposal of a substantial portion of or a controlling interest in the undertaking or property of the Company (includes the whole or substantially the whole of the rights, including development rights and benefits);
- (b) exercise any power of the Company to issue shares unless otherwise permitted under the Act or this Constitution; or
- (c) subject to Sections 228 of the Act, enter or carry into effect any arrangement or transaction with a Director or a substantial shareholder of the Company or its holding company or its subsidiary or with a person connected with such a Director or substantial shareholder to acquire from or dispose to such a Director or substantial shareholder or person connected with such a Director or substantial shareholder any shares or non-cash assets of the requisite value.

118. Directors' borrowing powers

- (1) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or its subsidiaries or of any third party subject to the law including but not limited to the provisions of the Act and the Listing Requirements, as they may think fit.
- (2) The Directors shall cause a proper register to be kept in accordance with Section 362 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 353 of the Act in regard to the registration of mortgages and charges therein specified or otherwise.
- (3) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

119. Power to maintain funds

The Directors may procure the establishment and maintenance of any contributory or non-contributory pension or superannuation scheme or life assurance scheme for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to, any persons who are or shall have been at any time in the employment or service of the Company or any subsidiary company or to any persons who are or have been a Director or other officer of and holds or have held salaried employment in the Company or any subsidiary company, or the wives, widows, families or dependents of any such persons. The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or of its members and payment for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibitions or for any public, general or useful objects provided that any Director holding such salaried employment shall be entitled to retain any benefit received by him hereunder subject only where the Act requires, to proper disclosure to the Members of the Company in general meeting.

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120. Directors' power to appoint attorneys

The Directors may from time to time, by power of attorney under the Seal, appoint any corporation, firm or person or body of persons, whether nominated directly or indirectly by the Directors to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (which shall not exceed those vested in or exercisable by the Directors under this Constitution and which shall not be such that the Directors are divested of the control and management of the Company's affairs) and for such period and subject to such conditions as the Directors may think fit, and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretion for the time being vested in them.

121. Cheques, bills, etc

All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipt for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors may from time to time determine by resolution.

122. Right to hold other office under the Company

A Director may hold any other office or place of profit under the Company (other than the office of Auditors) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company with regard to his tenure of any such office or place of profit or as vendor, purchaser or in any other respect nor shall any such contract, or any contract or arrangement entered into by or on behalf of any company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established provided always that Sections 221 and 228 and all other relevant provisions of the Act and this Constitution are complied with.

123. Right to payment for professional services

Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he was not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as Auditors of the Company and provided further that such shall be at normal commercial terms.

124. As to the duty and liability of the Director

A Director shall at all times exercise his powers for a proper purpose, in good faith and in the best interest of the Company and shall act honestly and use reasonable care, skill and diligence in the discharge of the duties of his office and shall not make use of any information acquired by virtue of his position to gain, directly or indirectly, an improper advantage for himself or for any other person or cause detriment to the Company.

125. General duty to make disclosure

Every Director shall give notice to the Company of such events and matters relating to himself, as may be necessary or expedient, to enable the Company and its officers to comply with the requirements of the Act.



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## PROCEEDINGS OF DIRECTORS

### 126. Meetings of Directors

The Third Schedule of the Act does not apply to the Company except those expressly stated in this Constitution. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. A Director may at any time and the Secretary shall on his requisition summon a meeting of the Directors.

### 127. Notice of Directors' Meeting

Unless otherwise determined by the Board from time to time, at least seven (7) days' notice of all Directors' meetings shall be given by hand, post, facsimile, electronic form or other form of electronic communications to all Directors and their Alternate Directors who have a registered address in Malaysia, except those in the case of an emergency, where reasonable notice of Directors' meeting shall be given in writing. It shall not be necessary to give any Director or Alternate Director, who does not have an address in Malaysia, registered with the Company, notice of a meeting of the Directors by hand or by post. Any Director may waive notice of any meeting either prospectively or retrospectively. The notice of each Directors' meeting shall be deemed to be served on a Director upon delivery if delivered by hand, or immediately if sent by facsimile, electronic form or other form of electronic communications or if sent by post, on the day on which a properly stamped letter containing the notice is posted.

### 128. Irregularity in Notice

Any irregularity in the notice of a meeting is waived if all Directors entitled to receive notice of the meeting attend the meeting without objection to the irregularity.

### 129. Venue of Directors' Meeting

The Directors may also hold a meeting of Directors at two (2) or more venues within or outside Malaysia using any technology that gives the Directors as a whole a reasonable opportunity to participate. The minutes of the proceedings of such meeting is sufficient evidence of the proceedings to which it relates and of the observance of all necessary formalities if certified as correct minutes by the chairman of the meeting.

### 130. Quorum

The quorum necessary for the transaction of the business of the Directors shall be two (2) unless fixed by the Directors at any other number not being less than two (2).

### 131. Proceedings of meeting

A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretion by or under this Constitution vested in or exercisable by the Directors generally. Every Director has one (1) vote. Subject to this Constitution, questions arising at any meeting of the Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a decision of the Board.

### 132. Chairman has casting vote

In case of an equality of votes, the chairman of the meeting shall have a second or casting vote. However, where two (2) Directors form a quorum, the chairman of the meeting at which only such quorum is present, or at which only two (2) Directors are competent to vote on the question at issue shall not have a casting vote.

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133. Number of Directors below minimum

The continuing Directors or sole continuing Director may continue to act notwithstanding any vacancy in their body but if and so long as their number is reduced below the number fixed by or pursuant to this Constitution as the necessary quorum of a Directors' meeting, the continuing Directors or Director, except in an emergency, may act only for the purpose of increasing the number of Directors to such minimum number, or to summon a general meeting of the Company but for no other purposes.

134. Participation of Directors' meetings by way of telephone and video conferencing

Any Director may participate at a meeting of Directors by way of telephone and video conferencing or by means of other communication equipment so long as the following conditions are met:

- (a) All persons participating in the meeting are able to hear and/or see each other and be heard and/or seen for the entire duration of the meeting in which event such Director shall be deemed to be physically present at the meeting.
- (b) At the commencement of the meeting, each Director must acknowledge his presence for the purpose of the meeting to all of the other Directors taking part.
- (c) A Director participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting.
- (d) A Director may not leave the meeting by disconnecting his telephone and video conferencing device unless he has previously obtained the express consent of the chairman of the meeting.
- (e) Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the Directors attending the meeting provided that at least one of the Directors present at the meeting was at such place for the duration of that meeting.
- (f) All information and documents such as the meeting notice and agenda papers must be made equally available to all participants prior to or at/during the meeting.

135. Chairman and deputy chairman

The Directors may from time to time elect and remove a chairman and deputy chairman of the Board and determine the period for which they are respectively to hold the office. The chairman so elected, or in his absence the deputy chairman, shall preside at all meetings of the Directors but if no such chairman or deputy chairman be elected, or if at any meeting the chairman or deputy chairman be not present within fifteen (15) minutes after the time appointed for holding the meeting, the Directors present shall choose one of their number to act as chairman of such meeting.

136. Disclosure of interest by Director

Every Director shall comply with the provisions of Sections 219 and 221 of the Act in connection with the disclosure of his shareholding and interest in any contract or proposed contract with the Company and in connection with the disclosure, every Director shall state the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly duties or interests might be created in conflict with his duty or interest as a Director of the Company.

137. Directors restrained from voting interested transactions

Subject to Section 222 of the Act, a Director shall not participate in any discussion or vote in respect of any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest and if he shall do so his vote shall not be counted. Without prejudice to the generality of the foregoing, a Director shall also not vote in regard to any contract or

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proposed contract or arrangement with any other company in which he is interested either as an officer of that other company or as a holder of shares or other securities in that other company.

138. Director may be counted in quorum notwithstanding his interest

A Director, notwithstanding his interest may, provided that none of the other Directors present disagree, be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company, (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company or whereat the terms of any such appointment as hereinafter mentioned are considered or whereat any decision is taken upon any contract or arrangement, in which he is in any way interested provided always that he has complied with Section 221 and all other relevant provisions of the Act, the Listing Requirements and of this Constitution.

139. Director may vote on the giving of security or indemnity where he is interested

Subject to Clause 136 and 137, a Director may vote in respect of:-

- (a) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.

By ordinary resolution of the Company the provisions of this Clause may at any time be suspended or relaxed to any extent and either generally or in respect of any particular contract, arrangement or transaction, and any particular contract, arrangement or transaction carried out in contravention of this Clause may be ratified.

140. Director may become directors or other officers of any corporation promoted by the Company

A Director may be or become Director or other officer of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise, or any corporation, which is directly or indirectly interested in the Company as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a Director or officer of, or from his interest in, such corporation, unless the Company otherwise directs at the time of his appointment. The Directors may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by them as Directors of such other corporation in such manner and in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the Directors or other officers of such corporation) and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or is about to be appointed, a Director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid provided always that he has complied with Section 221 and all other relevant provisions of the Act, the Listing Requirements and of this Constitution.

## COMMITTEES OF DIRECTORS

141. Power to establish committees

The Directors may establish any committees, local boards or agencies comprising of one (1) or more persons for managing any of the affairs of the Company, either in Malaysia or elsewhere, and may lay down, vary or annul such rules and regulations as they may think fit for the conduct of the business thereof, and may appoint any person or persons (whether or not a Director) to be the member or members of any such committee or local board or agency and may fix their remuneration, and may delegate to any such committee, local board or agency any of these powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the member or members of any such committee, local board, agency, or any of them, to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person or persons dealing in good faith without notice of any such annulment or variation shall be affected thereby.

142. Meetings and proceedings of committees

The meetings and proceedings of any such committee shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by a regulation made by the Directors under this Constitution.

Subject to any rules and regulations made hereunder, a committee may meet and adjourn as it thinks proper, and questions arising at any meeting shall be determined by a majority of votes of the members present (if more than one), and in case of an equality of votes, the chairman of the said committee shall have a second or casting vote.

143. Chairman of the committee

A committee, local board or agency may elect a chairman of its meetings, if no such chairman is elected, or if at any meeting, the chairman is not present within fifteen (15) minutes after the time appointed for holding of the meeting, the members present may choose one of their number to be the chairman at the meeting.

## VALIDATION OF ACTS

144. Validation of acts of Directors or committee

All acts done bona fide by any meeting of the Directors or a committee of Directors or by any person acting as a Director, local board or agency shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they, or any of them were disqualified, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee, local board or agency as aforesaid and had been entitled to vote.

## CIRCULAR RESOLUTIONS

145. Circular resolutions

A resolution in writing signed or approved by letter, telegram, telex, telefax or electronic means by a majority of the Directors for the time being entitled to receive notice of a meeting of Directors, but other than any Director who is precluded or prohibited from voting on the resolution in question by reason of this Constitution or any applicable law, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that

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where a Director is not so present but has an alternate who is so present, then such resolution shall be signed by such alternate. All such resolutions shall be described as "Directors' Circular Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's minutes book. Any such resolution in writing may consist of several documents in like form, each document shall be signed or assented to by one (1) or more Directors or their alternates. The expressions "in writing" or "signed" include approval by legible confirmed transmission by facsimile or other forms of electronic communications. A copy of any such resolution shall be entered in the minute's book of Board proceedings.

### **MANAGING DIRECTOR**

146. Directors may appoint the Managing Director and Term of appointment

The Directors may from time to time appoint any one or more of their body to be Managing Director or Managing Directors. Subject to this Constitution, any such appointment shall be subject to reappointment and on such terms as they think fit and may vest in such Managing Director or Managing Directors as may be appointed by them such of the powers hereby vested in the Directors generally as they may think fit. The Managing Director or Managing Directors shall be subject to the control of the Board.

147. Remuneration

The remuneration of the Managing Director or Managing Directors shall subject to the terms of any agreement entered into in any particular case may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement.

148. Managing Director reckoned as Director for purposes of rotation and retirement

The Managing Director or Managing Directors shall, while they continue to hold such offices, be subject to retirement by rotation in accordance with this Constitution, and they shall, subject to provisions of any contract between them and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and, if they cease to hold the office of Director from any cause, they shall ipso facto and immediately cease to be Managing Director or Managing Directors.

### **MINUTES AND REGISTERS**

149. Minutes

The Directors shall cause minutes to be duly entered in books provided for the purpose:

- (a) of all appointments of officers to be engaged in the management of the Company's affairs;
- (b) of the names of all the Directors present at each meeting of the Directors and of any committee of Directors and of the Company in general meeting;
- (c) of all resolutions and proceedings of general meetings and of meetings of the Directors and committees of Directors; and
- (d) of all orders made by the Directors and any committee of Directors.

Such minutes shall be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.

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150. Resolutions passed at an adjourned Board meeting

Where a resolution is passed at an adjourned meeting of the Board, the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not to be deemed to have been passed on an earlier date.

151. Register of Directors, Managers and Secretaries

The Company shall in accordance with the provisions of Section 57 of the Act, keep at the Office or such other place provided notice has been given to the Registrar of Companies, a register containing such particulars with respect to the Directors, managers and secretaries of the Company as are required by the Act and shall from time to time notify the Registrar of Companies of any change in such register and of the date of such change in manner prescribed by the Act.

152. Minutes books in Office

The books containing the minutes of proceedings of any general meeting shall be kept by the Company at the Office or such other place provided notice has been given to the Registrar of Companies, and shall be open to the inspection of any Member without charge.

153. Registers to be kept

The Company shall also keep at the Office or such other place provided notice has been given to the Registrar of Companies, a register which shall be open to the inspection of any Member without charge and to any other person on payment of such prescribed fee for each inspection as may be determined by the Company, all such matters required to be so registered under the Act, and in particular:-

- (a) a register of substantial shareholders and of information received in pursuance of the requirements under Section 144 of the Act; and
- (b) a register of the particulars of each of the Directors' shareholdings and interests as required under Section 59 of the Act.

#### **ASSOCIATE DIRECTOR**

154. Power of Directors to appoint Associate Director

The Directors may from time to time appoint any person or persons to be an Associate Director or Associate Directors and may from time to time revoke any such appointments. The Directors may fix, determine and vary the powers, duties and remuneration of any person or persons so appointed. Any person or persons so appointed shall not be required to hold any shares to qualify him for appointment nor have any right to attend or vote at any meeting of Directors except by the invitation and with the consent of the Directors.

#### **SECRETARY**

155. Appointment and removal of a Secretary

- (i) Appointment or removal of a Secretary

The Secretary shall be appointed by the Directors in accordance with the Act for such term, at such remuneration, and upon such conditions as the Directors may think fit and the Secretary so appointed may be removed by them but without prejudice to any claim he or they may have for damages for breach of any contract of service with the Company.

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- (a) The Directors may from time to time by resolution appoint an assistant or deputy Secretary or joint Secretaries, who shall be deemed also to be the Secretary during the term of his appointment.
- (b) The Directors may from time to time by resolution appoint a temporary substitute for the Secretary who shall be deemed to be the Secretary during the term of his appointment.

(ii) First Secretary

The first Secretary was Mr. M. Sivapalan (MAICSA 7010048).

156. Resignation of Secretary

The Secretary may resign from his office in accordance with the Act and any resignation shall be effective on the expiry of thirty (30) days from the date of the notice of resignation. The Board shall appoint another person as Secretary within thirty (30) days of receipt of the outgoing Secretary's notice of resignation in compliance with the Act.

**SEAL**

157. Authority for use of the Seal

The Board shall provide for the safe custody of the Seal which shall only be used pursuant to a resolution of the Directors or a committee of the Board authorised to use the Seal. Every instrument to which the Seal is affixed shall be autographically signed by a Director and countersigned by a second Director or by the Secretary or by another person appointed by the Board for the purpose, save and except that, in the case of a certificate or other document of title in respect of any share, stock, loan stock or debenture as defined in the Act or any other obligations, warrants, call warrants or securities and instruments of any kind whatsoever relating to all the aforesaid created or issued or dealt with or marketed or sold by the Company, such certificate or document of title may be created or issued under the Seal or the Share Seal (for affixing onto share certificates only pursuant to Clause 158 hereof), as the case may be, of the Company and the Board may by resolution determine that such signatures may be affixed by some mechanical electronic facsimile or autographical means or by such other means to be specified by the Board from time to time in such resolution.

158. Share Seal

The Company may also have a Share Seal pursuant to Section 63 of the Act. The Share Seal is an exact copy of the Seal of the Company with the addition on its face of the word "Securities" which is specifically used for affixing onto certificates that may be issued by the Company for any share, stock, loan stock, debentures or other marketable security relating to all aforesaid created or issued or dealt with or marketed or sold by the Company and the affixing of the Share Seal shall be authenticated in the manner set out in Clause 157 hereof.

159. Official seal for use abroad

The Company may exercise the powers of Section 62 of the Act with regard to having an official Seal for use abroad and such powers are accordingly hereby vested in the Directors.

**RESERVES**

160. Creation of reserve fund

The Directors may, before recommending any dividend, whether preferential or otherwise, set aside out of the profits of the Company such sums as they think proper as a reserve fund to meet depreciation or contingencies, or for equalizing dividends or for the payment of special dividends, or for the general liquidation of any debt or liability of the Company or for repairing, improving or maintaining any of the property of the Company, or for such other purposes (being

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purposes for which the profits of the Company may lawfully be applied) as the Directors shall in their absolute discretion think conducive to the interest of the Company, and may invest the several sums so set aside upon such investments as they think fit (including purchasing shares in the Company to the extent and in the manner allowed by the Act and subject to the provisions of this Constitution) and from time to time vary or realise such investments and dispose of all or any part thereof for the benefit of the Company, and may divide any reserve fund into such special funds as they think fit, with all power to employ the assets constituting the reserve fund in the business of the Company, and that without being bound to keep the same separate from the other assets. The Directors may also, without placing the same to reserve, carry forward any profits which they may think prudent not to divide.

## **DIVIDENDS**

161. Payment of dividends

The profits of the Company available for dividend and determined to be distributed shall be applied in the payment of dividends to the Members in accordance with their respective rights and priorities. The Company in general meeting may declare dividends accordingly.

162. Dividends to be paid out of profits

Without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided, no dividend shall be paid otherwise than out of profits nor shall any dividend or other monies payable on or in respect of any share bear interest against the Company and no dividend shall be paid in excess of the amount recommended by the Directors.

163. Distribution only if the Company is solvent

The Directors may authorise a distribution of dividend at such time and in such amount as the Directors consider appropriate, if the Directors are satisfied that the Company will be solvent immediately after the distribution is made. The Company is regarded as solvent if the Company is able to pay its debts and when the debts become due within twelve (12) months immediately after the distribution is made.

164. Apportionment of dividends

Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Clause as paid on the shares. All dividends shall be apportioned and paid pro-rata according to the amounts paid or credit as paid on the shares during any portion or portions of the period in respect of which the dividend is paid except that if any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) as from a particular date, such share shall rank for dividend accordingly.

165. Power to retain dividends

- (1) The Directors may deduct from any dividend payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company held by him.
- (2) The Directors may retain any dividend or other moneys payable on or in respect of a share other than fully paid shares on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.



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- (3) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares herein before contained entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the same.

166. Asset, business or property bought by the Company

- (1) Subject to the provisions of the Act where any asset, business or property is bought by the Company as from a past date upon the terms that the Company shall as from that date take the profits and bear the losses thereof, such profits or losses as the case may be, shall, at the discretion of the Directors, be credited or debited wholly or in part to revenue account, and in that case the amount so credited or debited shall, for the purpose of ascertaining the fund available for dividend, be treated as a profit or loss arising from the business of the Company and available for dividend accordingly.
- (2) Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest when paid may at the discretion of the Directors be treated as revenue and it shall not be obligatory to capitalise the same or any part thereof.

167. Unclaimed dividends

All dividends unclaimed for more than one (1) year after having been declared shall be dealt with by the Company in accordance with the provisions of the Unclaimed Moneys Act, 1965.

168. Transfer does not affect right to dividends declared before registration

A transfer of shares shall not pass the right to any dividend declared on such shares before the registration of the transfer provided that any dividend declared on Deposited Securities shall accrue to the Depositors whose names appear on the Record of Depositors issued to the Company or the Registrar pursuant to the Rules for the purpose of determining the Depositors who are entitled to the dividends declared.

169. Receipt of dividends

The receipt of a single person appearing in the Register of Members and/or the Record of Depositors to be the holder of any shares and where several persons appear in the Register of Members or to the extent permissible under the Central Depositories Act and the Rules, in the Record of Depositors to be the joint-holders of any shares the receipt of any one of such joint-holders shall be a sufficient discharge to the Company for any dividend or other moneys payable in respect of such shares.

170. Mode of payment of dividend

Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder who is named on the Register of Members or the Record of Depositors or to such person and to such address as the holder may in writing direct or by way of telegraphic transfer or electronic transfer or remittance upon terms and subject to conditions as the Directors may stipulate to such account as designated by such holder or the person entitled to such payment. Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall be made payable to the order of the person to whom it is sent and the payment of any such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall operate as a good and full discharge to the Company in respect of the payment represented thereby, notwithstanding that in the case of payment by cheque or warrant, it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall be sent at the risk of the person entitled to the money thereby represented. No unpaid dividend shall bear interest against the Company.

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171. Power to distribute a dividend in specie

Any general meeting declaring a dividend or bonus may, upon the recommendation of the Directors, direct payment of such dividend or bonus wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debenture or debenture stocks of any other company, or in any one or more of such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustee upon such trusts for the persons entitled to the dividend as may seem expedient to the Directors. No distribution, settlement, arrangement or adjustment so made by the Directors shall be questioned by any Member.

172. Dividend reinvestment plan

Whenever the Directors of the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary shares of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit in such case, the following provisions shall apply:-

- (a) the basis of any such allotment shall be determined by the Directors;
- (b) the Directors shall determine the manner in which Members shall be entitled to elect or receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of the this Constitution.
- (c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of the election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and
- (d) the dividend (or part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised ("the Elected Ordinary Shares") and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the Elected Ordinary Shares on the basis of allotment determined as aforesaid and for such purpose (notwithstanding any provision of the Constitution to the contrary), the Directors shall:-
  - (i) capitalise and apply the amount standing to the credit of any of the Company's reserve accounts or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the Elected Ordinary Shares on such basis; or

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- (ii) apply the sum which would otherwise have been payable in cash to the holders of Elected Ordinary Shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the Elected Ordinary Shares on such basis.

### **CAPITALISATION OF PROFITS**

173. Capitalisation of profits

The Company in general meeting may upon the recommendation of the Directors, by ordinary resolution resolve, either unconditionally or subject to such conditions as it may deem fit, that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and accordingly that such sum be set free for distribution amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed, credited as fully paid up to and amongst such Members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution.

174. Power of applications of undivided profits

Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members.

### **ACCOUNTS TO BE KEPT AND FINANCIAL STATEMENTS**

175. Accounts to be kept

The Board and managers of the Company shall cause to be kept the accounting and other records to sufficiently explain the transaction and financial position of the Company including its subsidiaries and enable a true and fair profit and loss accounts and balance sheet and any documents required to be attached thereto to be prepared in accordance with the Act and shall distribute copies of balance sheets and other documents as required under the Act.

The Board shall from time to time determine whether or not and to what extent and at what times and place and under what conditions or regulations the books of accounting and other records of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or paper of the Company except as conferred by statute or authorised by the Board or by the Company in a meeting of Members. Subject always to Sections 245(5) and (6) of the Act, the books of accounting and records of operations as aforesaid shall be kept at the Office or at such other place as the Board thinks fit and shall always be open to inspection by the Directors.

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176. Preparation and issuance of audited financial statements and directors' report

The Directors shall from time to time in accordance with Section 248 of the Act, cause to be prepared and laid before the Company in its annual general meeting such audited financial statements and reports as are referred to in the section. The interval between the close of a financial year of the Company and the issue of the audited financial statements, the Directors' and Auditors' reports shall not exceed four (4) months.

177. Circulating copies of audited financial statements and Directors' report

A copy of each of the audited financial statements, the Directors' report and Auditors' report in printed form or in CD-ROM or other electronic form permitted under the Listing Requirements or any combination thereof, shall not less than twenty-one (21) days (or such other shorter period as may be agreed by all Members entitled to attend and vote at the meeting) before the date of the annual general meeting, be sent to every Member of and to every holder of debentures of the Company and to every other person who is entitled to receive notice of general meetings from the Company under the provisions of the Act or of this Constitution.

Subject to the compliance with the Listing Requirements and any other relevant laws and regulations, the Company may send any Document required under the Listing Requirements to its securities holders in electronic form, which shall be transmitted to the electronic address provided by the securities holders to the Company for such purpose or by publishing on a website provided that this clause shall not require a copy of this Document to be sent to any person of whose address the Company is not aware but any Member to whom a copy of this Document has not been sent shall be entitled to receive a copy free of charge on application at the Office.

In the event that the financial statements and report are sent in such other form of electronic media and a Member required a printed form of such Document, the Company shall send Document to the Member within four (4) market days from the date of receipt of the Members' request.

#### **AUDIT**

178. Appointment of Auditors

The Auditors shall be appointed for each financial year by ordinary resolution at the annual general meeting of the Company in accordance with Section 271 of the Act.

179. Validity of acts of Auditors

Subject to the provisions of the Act, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment.

180. Auditors entitled to attend general meeting

The Auditors shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which any Member is entitled to receive, and to be heard at any general meeting on any part of the business of the meeting which concerns the Auditors.

#### **LANGUAGE**

181. Translation

Where any financial statements, minute books or other records required to be kept by the Act are not kept in Bahasa Malaysia or the English language, the Directors shall cause a true translation of such financial statements, minute books and other records to be made from time to time at intervals of not more than seven (7) days and shall cause such translation to be kept with the original financial statements, minute books and other records for so long as the original accounts, minute books and other records are required to be kept by the Act.

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## **DESTRUCTION OF RECORDS**

### **182. Power to destroy documents**

The Company shall be entitled to destroy, in any manner, all instruments of transfer which shall have been registered at any time after a reasonable time from the date of registration thereof, and all share certificates and dividend mandates which have been cancelled or have ceased to have effect at any time after the expiration of one (1) year from the date of cancellation or cessation thereof, and all notifications of change of name or address after the expiration of one (1) year from the date they were recorded, and in favour of the Company it shall conclusively be presumed that every entry in the register which purports to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every share certificate so destroyed was a valid certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company provided that:-

- (a) the foregoing provisions of this Clause shall apply only to the destruction of a document in good faith and without express notice that the preservation of such document was relevant to a claim; and
- (b) nothing contained in this Clause shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company but for the provisions of this Clause.

## **AUTENTICATION OF DOCUMENTS**

### **183. Authentication of documents**

- (1) Any Director or the Secretary or any other person approved by the Directors shall have power to authenticate any documents effecting the Constitution of the Company and any resolutions passed by the Company or the Directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts.
- (2) A document purporting to be a copy of a resolution of the Directors or an extract from the minutes of a meeting of the Directors which is certified as such in accordance with the provisions of this Clause shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.

## **NOTICES**

### **184. Service of notice and/or Document**

Any notice and/or Document shall be served by the Company or the Secretary on any Member:-

- (a) in hard copy, either personally or by sending it through the post in a prepaid letter addressed to such Member at his last known registered address or service address as appearing in the Register of Members or Records of Depositors.
- (b) in Electronic Form, and sent by the following electronic means:
  - (i) transmitting to his last known electronic mail address; or
  - (ii) publishing the notice and/or Document on the Company's website provided that a notification of the publication of the notice and/or Document on the website via hard

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copy or electronic mail or short messaging service has been given in accordance with Section 320 of the Act and the Listing Requirements; or

- (iii) using any other electronic platform maintained by the Company or third parties that can host the information in a secure manner for access by Members provided that a notification of the publication or availability of the notice and/or Document on the electronic platform via hard copy or electronic mail or short messaging service has been given to them accordingly.

185. When service deemed effected

Any notice and/or Document shall be deemed to have been served by the Company to a Member:-

- (1) Where the notice and/or Document is served by post shall be deemed to be served three (3) days following that on which a properly stamped letter containing the same is posted.

In proving service by post it shall be sufficient to prove that the letter containing the notice and/or Document was properly addressed and stamped and put into a post office letterbox.

- (2) Where the notice and/or document is sent by electronic means:

- (i) via electronic mail, at the time of transmission to a Member's electronic mail address pursuant to the clause in this Constitution, provided that the Company has a record of the electronic mail being sent and that no written notification of delivery failure is received by the Company;
- (ii) via publication on the Company's website, on the date the notice and/or Document is first made available on the Company's website provided that the notification on the publication of notice and/or Document on the website has been given pursuant to this Constitution; or
- (iii) via electronic platform maintained by the Company or third parties, on the date, the notice and/or Document is first made available thereon provided that the notification on the publication or availability of the notice and/or Document on the relevant electronic platform has been given pursuant to this Constitution.

In the event that service of a notice and/or Document pursuant to this Constitution is unsuccessful, the Company must, within two (2) market days from discovery of delivery failure, make alternative arrangements for service by serving the notice and/or Document in hard copy in accordance with this Constitution hereof.

186. Services of notice by hard copy or electronic form to Directors

A notice and/or Document may also be served by the Company or the Secretary on any Director in hard copy, in electronic form or partly in hard copy and partly in electronic form. Notices given in hard copy shall be sent to the Director personally or by post to the address supplied by the Director for such purpose or if given in electronic form, transmitting to the electronic address provided by the Director for such purpose.

187. Last known address for service

A Member's address, electronic mail address and any other contact details provided to Bursa Depository shall be deemed as the last known address, electronic mail address and contact details respectively for purposes of communication including but not limited to service of notices and/or Documents to the Member.

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188. Notice and/or Document in case of death or bankruptcy

Every person who, by operation of law, transfer, transmission or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address being entered in the Register of Members or Record of Depositors as the registered holder of such share, shall have been duly given to the person from whom he derives the title to such share provided always that a person entitled to a share in consequence of the death or bankruptcy of a Member, upon supplying to the Company and the Bursa Depository such evidence as the Directors may reasonably require, and as the Bursa Depository may require to show his title to the share, and upon supplying also an address within Malaysia for the service of notices, shall be entitled to have served upon him at such address any notice and/or Document including electronic form in accordance with Clause 184 to which the Member but for his death or bankruptcy would be entitled, and such service shall for all purposes be deemed a sufficient service of such notice and/or Document on all persons interested (whether jointly with or as claiming through or under him) in the share.

189. Persons entitled to notice of general meeting

- (1) Notice of every general meeting shall be given in any manner herein before specified to:-
  - (a) every Directors of the Company;
  - (b) every Member;
  - (c) every person entitled to a share in consequence of the death or bankruptcy of a Member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting;
  - (d) the Auditors for the time being of the Company; and
  - (e) the Exchange and any other relevant authorities.
- (2) Except as aforesaid or in the Act, no other person shall be entitled to receive notice of general meetings.
- (3) Any notice served on behalf of the Company or of the Board shall be deemed effectual if it purports to bear the signature of the Secretary or other duly authorised officer of the Company and which are issued by order of the Board pursuant to a resolution duly passed by the Directors.
- (4) Any notice and/or Document required by a court of law or otherwise required or allowed to be given by the Company to the Members or any of them, and not expressly provided for by this Constitution or which cannot for any reason be served in the manner referred to in Clause 184 and 185 hereof, shall be sufficiently given if given by advertisement, and any notice and/or Document required to be or which may be given by advertisement, shall be deemed to be duly advertised once advertised in a widely circulated newspaper in Malaysia in the national language and in a widely circulated newspaper in Malaysia in the English language.

**WINDING UP**

190. Distribution of assets in specie

If the Company is wound up (whether the liquidation is voluntary, under supervision, or by the Court), the liquidator may, with the sanction of a special resolution of the Company, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees

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upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

191. Distribution of assets

(1) Save that this Constitution shall be without prejudice to the rights of holders of shares issued upon special terms and conditions, the following provisions shall apply:-

- (a) If the Company shall be wound up and the assets available for distribution among the Members as such, shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding-up, on the shares held by them respectively; and
- (b) If in a winding-up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed among the Members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively.

(2) Where it is proposed that the whole and part of the business or property of the Company is to be transferred or sold to another corporation in a voluntary winding up, with the sanction of a special resolution of the Company conferring either a general authority on the liquidator or an authority in respect of any particular arrangement, the liquidator of the Company may:-

- (a) receive in compensation or part compensation for the transfer or sale of the shares, debentures or other like interests in the corporation for distribution among the Members of the Company; or
- (b) enter into any other arrangement whereby the Members of the Company may, in lieu of receiving cash, shares, debentures, policies or other like interests or in addition to the arrangement, participate in the profits of or receive any other benefit from the corporation,

and any such transfer, sale or arrangement shall be binding on the Members of the Company.

(3) If any Member of the Company expresses his dissent on matters referred to in sub-clause (2) in writing addressed to the liquidator and delivered to the office of the liquidator within seven (7) days from the passing of the resolution, the Member may require the liquidator to either abstain from carrying the resolution into effect or to purchase his interest at a price to be determined by an agreement or by arbitration in the manner set out in Section 457 of the Act.

192. Liquidator's remuneration subject to approval of Members

On a voluntary liquidation of the Company, no commission or fee shall be paid to a liquidator without the prior approval of the Members in general meeting. The amount of such commission or fee shall be notified to all Members not less than seven (7) days before the meeting at which it is to be considered.



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## SECURITY CLAUSE

### 193. Discovery of Company's confidential information

Save as may be provided by the Act, no Member shall be entitled to enter into or upon or inspect any premises or property of the Company nor to require discovery of any information in respect any detail of the Company's trading, manufacturing or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Members of the Company to communicate to the public.

A Director or officer of the Company shall be entitled, if he thinks fit, to decline to answer any questions concerning the business of the Company which may be put to him on any occasion (including any meeting of the Company) on the ground that the answer to such question would disclose or tend to disclose the trade secrets of the Company.

## INDEMNITY

### 194. Indemnity and insurance for the Company's officer and Auditors

Subject to the provisions of the Act, every Director, Managing Director, agent, Auditors, Secretary and other officer for the time being of the Company (as defined in the Act) shall be entitled to be indemnified out of the assets of the Company (including effect of insurance) against all losses or liabilities which he may sustain or incur in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under the Act in which relief is granted to him by the Court in respect of any negligence, default, breach of duty or breach of trust.

Subject to the provisions of the Act, the Company may, with the prior approval of the Directors, effect insurance for an officer or Auditors of the Company in respect of the following:

- (a) civil liability, for any act or omission in his capacity as an officer of the Company;
- (b) costs incurred by him in defending or settling any claim or proceeding relating to any such liability; or
- (c) costs incurred by him in defending any proceedings that have been brought against him in relation to any act or omission in his capacity as an officer or Auditor which he has been acquitted, granted relief under the Act or where proceedings have been discontinued or not pursued.

The costs incurred by that Director or officer or Auditors in defending or settling any claim or proceedings relating to any such liability except:

- (a) any liability of the Director to pay—
  - (i) a fine imposed in criminal proceedings; or
  - (ii) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature, however arising; or
- (b) any liability incurred by the Director—
  - (i) in defending criminal proceedings in which he is convicted; or
  - (ii) in defending civil proceedings brought by the company, or an associated company, in which judgment is given against him.

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## **RECONSTRUCTION**

195. Power of Directors or liquidators

On the sale of the undertaking of the Company, the Directors or the liquidators on a winding up may, if authorised by a special resolution, accept fully paid or partly paid-up shares, debentures or securities of any other company, either incorporated in Malaysia or not, either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Directors (if the profits of the Company permit), or the liquidators (on a winding up), may distribute such shares or securities, or any property of the Company amongst the Members without realisation, or vest the same in trust for them and any special resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the Members or contributories of the Company, and for valuation of any such securities or property at such price and in such manner as the meeting may approve, and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in the case of the Company which is proposed to be or is in the course of being wound up, such statutory rights (if any) under Section 457 of the Act as are incapable of being varied or excluded by this Constitution.

## **ALTERATION OF CONSTITUTION**

196. Company may alter or amend constitution

Subject to this Constitution, no amendment whether by way of rescission, alternation or addition shall be made to this Constitution unless the same has been passed by a special resolution.

## **COMPLIANCE WITH STATUTES, REGULATIONS AND RULES**

197. Compliance with statutes, regulations and rules

The Company shall comply with the provisions of the Act, relevant governing statutes, regulations and rules as may be amended, modified or varied from time to time, or any other directive or requirement imposed by the Exchange, the Bursa Depository and other appropriate authorities, to the extent required by law, notwithstanding any provisions in this Constitution to the contrary.

## **EFFECT OF LISTING REQUIREMENTS**

198. Effect of the Listing Requirements

- (1) Notwithstanding anything contained in this Constitution, if the Listing Requirements prohibit an act being done, the act shall not be done.
- (2) Nothing contained in this Constitution prevents an act being done that the Listing Requirements require to be done.
- (3) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (4) If the Listing Requirements require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision.
- (5) If the Listing Requirements require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision.

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- (6) If any provision of this Constitution is or becomes inconsistent with the Listing Requirements, this Constitution are deemed not to contain that provision to the extent of the inconsistency.
- (7) Notwithstanding anything contained in this Constitution, nothing herein contained shall prevent the Directors from applying to the Exchange for a waiver from compliance or observance of any of the Listing Requirements. In the event the compliance or observance of such Listing Requirements are waived by the Exchange, the Company shall not be required to comply with any of the Clauses relating to those Listing Requirements in respect of which compliance or observance has been waived by the Exchange.
- (8) The provisions of this Clause 198 shall only apply so long as any of the securities of the Company are listed on the Exchange.