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



**SLP RESOURCES BERHAD**  
**(Company No.: 663862-H)**  
**(Incorporated in Malaysia)**

***CIRCULAR TO SHAREHOLDERS IN RELATION TO: -***

***PART A***

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

***PART B***

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

Notice of the Fourteenth Annual General Meeting of SLP Resources Berhad (“the Company”) which will be held at Sunway Hotel, Studio 1 & 2, Level 1A, 11, Lebuhraya Seberang Jaya, Prai, 13600 Penang on Friday, 31 May 2019 at 10.30 a.m. together with the Form of Proxy are enclosed in the Annual Report of the Company.

The Form of Proxy must be lodged at the Registered Office of the Company at Suite 12-A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than forty-eight (48) hours before the time stipulated for the meeting. 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: 29 May 2019 at 10.30 a.m.

Date and time of the AGM: 31 May 2019 at 10.30 a.m.

## DEFINITIONS

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

Act	:	The Companies Act 2016 as amended from time to time and nay re-enactment thereof
AGM	:	Annual General Meeting
Annual Report 2018	:	Annual Report of SLP for the financial year ended 31 December 2018
Board	:	The Board of Directors of SLP Resources Berhad
Bursa Securities	:	Bursa Malaysia Securities Berhad (Company No.: 635998-W)
Directors	:	Shall have the meaning given in Section 2(1) of the Capital Market and Services Act 2007 and for the purpose of Recurrent Related Party Transactions includes any person who is or was within the preceding 6 months of the date on which the terms of transaction were agreed upon, a Director or a chief executive officer of the Company, its subsidiary or holding company
Listing Requirements	:	The Main Market's Listing Requirements of Bursa Securities and any amendment thereto that may be made from time to time
Major Shareholder	:	A person who has an interest or interests in one or more voting shares in a company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is not less than 10% of the aggregate of the nominal amounts of all the voting shares in that Company; or equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Company.  For the purpose of this definition, "interest of shares" shall have the same meaning given in Section 8 of the Act. A Major Shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of SLP or any other company which is its subsidiary or holding company
Persons Connected	:	Persons connected with a Director or Major Shareholders as defined in the Bursa Securities Listing Requirements
Proposed Renewal of Shareholders' Mandate	:	Proposed renewal of existing shareholders' mandate for RRPTs to be entered into from date of the forthcoming AGM up to the date of the next AGM and new RRPTs
Related Party(ies)	:	Director(s), Major Shareholder(s) or person(s) connected with Director(s) or Major Shareholder(s).
Related Party Transaction	:	A transaction entered into by SLP Group which involves the interest, direct or indirect, of a Related Party
Recurrent Related Party Transactions or RRPT(s)	:	Recurrent related party transaction(s) as defined in Paragraph 10.09 of the Listing Requirements and as explained in Practice Note 12/2001 of the Listing Requirements

**DEFINITIONS (Cont'd)**

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- RM and sen : Ringgit Malaysia and sen respectively
- SLP or the Company : SLP Resources Berhad (663862-H)
- SLP Group or the Group : SLP and its subsidiary companies, collectively
- Share : Ordinary shares in the capital of the Company

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. Words importing persons include corporations.

Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act and used in this Circular shall have the meaning assigned to it under the Act. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

*PART A*

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

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**SLP RESOURCES BERHAD**

(Company No.: 663862-H)

(Incorporated in Malaysia)

Registered Office:  
Suite 12-A, Level 12, Menara Northam  
No. 55, Jalan Sultan Ahmad Shah,  
10050 Georgetown, Penang

26 April 2019

**BOARD OF DIRECTORS: -**

Khaw Khoon Tee (Executive Chairman)  
Khaw Seang Chuan (Group Managing Director)  
Khaw Choon Hoong (Executive Director)  
Khaw Choon Choon (Executive Director)  
Leow Chan Kiang (Non-Independent Non-Executive Director)  
Mary Geraldine Phipps (Senior Independent Non-Executive Director)  
Chan Wah Chong (Independent Non-Executive Director)  
Law Cheng Lock (Independent Non-Executive Director)

To: The Shareholders of SLP RESOURCES BERHAD

Dear Sirs/Madam,

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**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

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**1.0 INTRODUCTION**

On 27<sup>th</sup> March 2019, our Board announced its intention to seek shareholders' approval for the Proposed Renewal of Shareholders' Mandate pursuant to Paragraph 10.09 of the Listing Requirements at the forthcoming AGM.

The purpose of this Circular is to provide you with information on the Proposed Renewal of Shareholders' Mandate, and to seek shareholders' approval on the resolution relating to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM of the Company to be convened at Sunway Hotel, Studio 1 & 2, Level 1A, 11, Lebuhraya Sungai Dua, Pusat Bandar Seberang Jaya, Prai, 13600 Penang on Friday, 31 May 2019 at 10.30 a.m. or any adjournment thereof. The Notice of AGM and the Form of Proxy are enclosed in our Annual Report 2018 despatched together with this Circular.

***SHAREHOLDERS ARE ADVISED TO READ THIS CIRCULAR TOGETHER WITH THE APPENDIX CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION TO GIVE EFFECT TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE.***

## **2.0 PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

### **2.1 Introduction**

At the 13<sup>th</sup> AGM held on 25 May 2018, we have obtained a shareholders' mandate to allow the Group to enter into RRPTs of a revenue or trading nature which are necessary for the Group's day-to-day operations and are in the ordinary course of business and on terms that are not more favourable to the Related Parties than those generally available to the public. The approval shall in accordance with the Listing Requirements lapse at the conclusion of our forthcoming AGM scheduled on 31 May 2019 unless approval for its renewal is obtained from the shareholders of the Company at the said AGM.

Pursuant to Part E, Paragraph 10.09 of Chapter 10 of the Listing Requirements, SLP may seek a shareholders' mandate in respect of RRPTs involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations, subject to 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:
  - (i) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1 million; or
  - (ii) any percentage ratios of such RRPTs is 1% or more;whichever is the higher,
- (c) the circular to shareholders for the shareholders' mandate shall include the information as may be prescribed by Bursa Securities;
- (d) in a meeting to obtain shareholders' mandate, the interested Director(s), interested Major Shareholder(s) or Person Connected with the interested Director(s) or interested Major Shareholder(s); and where it involves the interest of the Person Connected with the interested Director(s) or interested Major Shareholder(s), such interested Director(s) or interested Major Shareholder(s) must not vote on the resolution approving the transactions. An interested Director or interested Major Shareholder must ensure that Persons Connected with him abstain from voting on the resolution approving the transaction; and
- (e) SLP immediately announces to Bursa Securities when the actual value of a RRPTs entered into by SLP, exceeds the estimated value of the RRPTs disclosed in this Circular by 10% or more and must include the information may be prescribed by Bursa Securities in its announcement.

Transactions entered into between SLP (or any of its wholly owned subsidiaries) and its wholly owned subsidiaries are excluded from the requirements of Part E of Chapter 10 of the Listing Requirements.

### **2.2 Principal activities of SLP Group**

SLP is primarily an investment holding company whilst its subsidiary companies are principally involved in manufacturing and sale of plastic packaging and its related products and trading of polymer products and manufacturing and sales of specialised plastic film and packaging products.

The principal activities of SLP’s subsidiaries as at 2 April 2019 are set out as follows: -

<b>Name of Company</b>	<b>Date /Place of Incorporation</b>	<b>Equity Interest (%)</b>	<b>Principal Activities</b>
Sinliplas Holding Sdn. Bhd. (“SHSB”)	14.09.1990/ Malaysia	100.00	Manufacturing and sale of plastic packaging and its related products
Sinliplas Sdn. Bhd. (“SSB”)	15.09.1989/ Malaysia	100.00	Manufacturing and sale of plastic packaging products and plastic related goods
SLP Green Tech Sdn. Bhd (“SLPGT”)	08.04.2009/ Malaysia	100.00	Manufacturing and sale of specialised plastic film and packaging products
SLP Polymers Sdn. Bhd. (“SLPP”)	29.11.2016/ Malaysia	100.00	Trading of polymer products such as resin

### 2.3 Validity Period of the Proposed Renewal of Shareholders’ Mandate

The Proposed Renewal of Shareholders’ Mandate, if approved by our shareholders at our forthcoming AGM, will take effect from the date of passing of the relevant resolutions proposed at our forthcoming AGM and shall only continue to be in force until:

- the conclusion of our next AGM following our forthcoming AGM, at which such ordinary resolution for the Proposed Renewal of Shareholders’ Mandate will be passed, at which time it will lapse, unless by a resolution passed at the general meeting, the authority is renewed;
- the expiration of the period within which our next AGM after that date is required to be held pursuant to Section 340(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier (hereinafter referred to as “the Proposed Mandate Period”).

### 2.4 Details of the RRPTs Contemplated Under the Proposed Renewal of Shareholders’ Mandate

It is anticipated that the Group would, in the normal course of business, continue to enter into the categories of RRPTs during the Proposed Mandate Period.

The details of the RRPTs, the Estimated Value, Actual Value and variance, if any, are set out below: -

<b>SLP Group</b>	<b>Related Party</b>	<b>Nature of RRPTs</b>	<b>Last Year Mandate (N1) (RM’000)</b>	<b>Actual value Transacted (N2) (RM’000)</b>	<b>Proposed Mandate (N3) (RM’000)</b>
SLPGT	SJ Circle Sdn Bhd (“SJ”)	Sales of plastic bags and plastic films by SLP GT to SJ	2,000	933	3,000

Notes: -

- N1 Estimate value of transactions as per the Circular to Shareholders for the Proposed Renewal of Shareholders' Mandate dated 27 April 2018
- N2 Actual value of transactions from 24 May 2018 to 2 April 2019 the latest practicable date before the printing of the Circular. The actual value of the transactions did not exceed 10% or more of the Estimated Value obtained under the Shareholders' Mandate during the 2018's AGM
- N3 Estimated value of transactions from the date of the forthcoming AGM scheduled on 31 May 2019 to the date of the next AGM are based on historical records and budget of the respective RRPTs. The actual value of these transactions may be subject to changes.

The interests of the Related Parties in the RRPTs are as follows: -

SLP Group	Related Party	Interested Parties
SLP GT	SJ	<u>Interested Directors</u> Khaw Choon Hoong * Khaw Khoon Tee# Khaw Seang Chuan# Khaw Choon Choon# <u>Interested Major Shareholders</u> Khaw Choon Hoong* Khaw Khoon Tee# Khaw Seang Chuan#

Notes: -

- \* Madam Khaw Choon Hoong is a director and major shareholder of SJ
- # Mr. Khaw Khoon Tee is the father of Madam Khaw Choon Hoong while Mr. Khaw Seang Chuan and Madam Khaw Choon Choon are siblings to Madam Khaw Choon Hoong

## 2.5 Amounts due and owing by Related Parties

As at the end of the financial year ended 31 December 2018, none of the sums due and owing by Related Parties, have exceeded the credit terms.

## 2.6 Review Procedures and Guidelines of the RRPTs

The Group has established the various review procedures and guidelines to ensure that the RRPTs contemplated under the Proposed Renewal of Shareholders' Mandate is undertaken on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders and that they are conducted at arm's length and on normal commercial terms consistent with the Group's usual business practices and policies and will not be prejudicial to shareholders.



The review and disclosure policies have been implemented and will continue to be in force for the period under which the Proposed Renewal of Shareholders' Mandate is sought for: -

- (a) The transactions with a Related Party will only be entered into after taking into account the pricing, quality, delivery schedules, level of service and other related factors. The pricing for products to be supplied and/or purchased is determined in accordance to the Group business practices and policies, consistent with the usual margin of the Group with unrelated third parties. At least 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 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 (for instance, if there are no unrelated third party vendors/customers of similar products or services, or if the product/service is a proprietary item), the Group will ensure that the RRPTs with Related Party will only be entered into after taking into account the pricing, level of services, quality of products and other related factors;
- (b) The Group shall maintain records to capture all RRPTs, to ensure the relevant approvals have been obtained, for review by the Audit Committee;
- (c) The Audit & Risk Management Committee will review all RRPTs from time to time. Any member of the Audit & Risk Management Committee may, as he deems fit, request for additional information pertaining to the transaction from independent sources or advisers;
- (d) The Audit & Risk Management Committee will carry out an annual review to ascertain that the established guidelines and procedures for RRPTs have been complied with and will consider from time to time whether the established guidelines and procedures for RRPTs have become inappropriate, and/or are unable to ensure that the transactions will be on normal commercial terms, and/or will prejudice the interests of shareholders generally; and
- (e) The interested Directors who are members of the Board and Audit & Risk Management Committee will abstain from deliberating and voting on all matters pertaining to the RRPTs at the relevant meetings of the Board or Audit & Risk Management Committee.

## **2.7 Threshold of Authority**

The threshold for the approval of RRPTs within the Group is set at RM1.0 million and each RRPTs will be analysed, reviewed and approved by the management and or directors as determined by the Board and such transaction shall be highlighted to the Audit & Risk Management Committee on a quarterly basis. Where the RRPT is one with a value in excess of RM1.0 million per transaction, it will be reviewed and approved by the Board and the Audit Committee. Where any Director has an interest (direct or indirect) in the RRPTs, such Director shall abstain from deliberation and voting on the matter.

If it is determined that the guidelines and/or procedures stated in Section 2.6 above are inadequate to ensure that RRPTs will be conducted at arms' length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and/or such transactions are detrimental to the minority shareholders of the Company or prejudicial to the interests of the shareholders, the Company will obtain a fresh mandate from shareholders based on the new guidelines and procedures.

## **2.8 Statement by Audit & Risk Management Committee**

The Audit & Risk Management Committee of the Company has seen and reviewed the procedures for RRPTs as set out in the Section 2.6 above and is of the view that the said procedures and guidelines are sufficient to ensure that such RRPTs will be carried out on normal commercial terms which are not prejudicial to the interests of shareholders and on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

The Audit & Risk Management Committee is also satisfied that SLP has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner. The Audit & Risk Management Committee shall quarterly review the RRPTs and also review the established guidelines and procedures annually to ascertain its compliance.

## **2.9 Rationale for, and Benefit to, the Proposed Renewal of Shareholders' Mandate**

The RRPTs entered or to be entered into by the SLP Group are all in the ordinary course of business. The RRPTs are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval on a case-by-case basis before entering into such RRPTs.

By obtaining the Proposed Renewal of Shareholders' Mandate and the renewal of the same on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when RRPTs occur would not arise. This would substantially reduce administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of SLP Group or adversely affecting the business opportunities available to SLP Group.

Additionally, the Proposed Renewal of Shareholders' Mandate would allow the transactions between the Related Parties and SLP Group for more efficient utilization of existing resources, prompt delivery and better bargaining power from reliable suppliers.

Hence, the Board of Directors of SLP is seeking the Proposed Renewal of Shareholders' Mandate pursuant to Paragraph 10.09 of the Listing Requirements for the RRPTs made on an arm's length basis and on normal commercial terms and which are not prejudicial to the interests of the minority shareholders.

## **2.10 Effects on the Proposed Renewal of Shareholders' Mandate**

The Proposed Renewal of Shareholders' Mandate will not have any effect on the issued and paid-up share capital and substantial shareholders structure of SLP, and is not expected to have any material effect on net assets per share and earnings per share of the Group.

## **3.0 APPROVAL REQUIRED**

The Proposed Renewal of Shareholders' Mandate is conditional upon the approval from the shareholders of SLP being obtained at the forthcoming AGM.

#### 4.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The direct and indirect interests of the interested Directors and the Major Shareholders of the Company as at 2 April 2019 are as follows: -

	Existing Shareholdings			
	Direct		Indirect	
	No. of shares	%	No. of shares	%
<u>Directors</u>				
Khaw Khoon Tee	31,404,478	9.91	129,970,857 <sup>(i)</sup>	41.01
Khaw Seang Chuan	47,418,884	14.96	127,445,658 <sup>(i)</sup>	40.21
Khaw Choon Hoong	2,953,499	0.93	127,212,859 <sup>(i)</sup>	40.14
Khaw Choon Choon	1,696,999	0.54	-	-
<u>Major Shareholders</u>				
Khoon Tee & Family Sdn Bhd	127,212,859	40.14	-	-
Khaw Khoon Tee	31,404,478	9.91	129,970,857 <sup>(i)</sup>	41.01
Khaw Seang Chuan	47,418,884	14.96	127,445,658 <sup>(i)</sup>	40.21
Khaw Choon Hoong	2,953,499	0.93	127,212,859 <sup>(i)</sup>	40.14
Khaw Choon Choon	1,696,999	0.54	-	-

(i) Deemed interested by virtue of Section 8 and Section 197 of the Act

The interested Directors namely, Mr. Khaw Khoon Tee, Mr. Khaw Seang Chuan, Madam Khaw Choon Hoong and Madam Khaw Choon Choon, have accordingly abstained and/or will continue to abstain from all Board deliberations and voting in respect of the relevant RRPTs and also will abstain from voting pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

The interested Directors namely, Mr. Khaw Khoon Tee, Mr. Khaw Seang Chuan, Madam Khaw Choon Hoong and Madam Khaw Choon Choon, have undertaken to ensure that the Persons Connected with them will abstain from voting pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

The Major Shareholders namely, Khoon Tee & Family Sdn Bhd, Mr. Khaw Khoon Tee, Mr. Khaw Seang Chuan, Madam Khaw Choon Choon and Madam Khaw Choon Hoong will abstain from voting pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM and have undertaken to ensure that the Person Connected with them will abstain from voting pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

Save as disclosed above, none of the Directors, Major Shareholders or Person Connected to Directors or Major Shareholders of the Company has any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate.

#### 5.0 DIRECTORS' RECOMMENDATION

The Board of Directors with the exception of Mr. Khaw Khoon Tee, Mr. Khaw Seang Chuan, Mr. Khaw Choon Hoong and Madam Khaw Choon Choon, who are interested Directors and have abstained from all Board deliberations and voting in respect of the Proposed Renewal of Shareholders' Mandate, having taken into consideration all aspects of the Proposed Renewal of Shareholders' Mandate, are of the opinion that the Proposed Renewal of Shareholders' Mandate are fair and reasonable and are in the best interest of the Company and its shareholders and therefore recommend that you vote in favour of the ordinary resolution to be tabled at the forthcoming AGM.

## **6.0 ANNUAL GENERAL MEETING**

For the purpose of considering and if thought fit, passing the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate, the AGM, the notice of which is enclosed with the Annual Report 2018, is to be held at Sunway Hotel, Studio 1 & 2, Level 1A, 11, Lebuh Tenggeri Dua, Pusat Bandar Seberang Jaya, Prai, 13600 Penang on Friday, 31 May 2019 at 10.30 a.m.

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event, to arrive at the Registered Office of the Company at Suite 12-A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not later than forty-eight (48) hours before the time stipulated for holding the AGM. The lodgment of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

## **7.0 FURTHER INFORMATION**

Shareholders are requested to refer to Appendix I for further information.

Yours faithfully,  
On behalf of the Board of  
**SLP RESOURCES BERHAD**

**MARY GERALDINE PHIPPS**  
**Senior Independent Non-Executive Director**

## FURTHER INFORMATION

### 1.0 DIRECTORS' RESPONSIBILITY

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

### 2.0 MATERIAL CONTRACTS

As at the date of this Circular, neither the Company nor any of its subsidiary companies have entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business of the Group) during the two (2) years immediately preceding the date of this Circular.

### 3.0 MATERIAL LITIGATION

As at the date of this Circular, neither the Company nor any of its subsidiary companies are engaged in any material litigation, claims or arbitration either as plaintiff or defendant which would have a material effect on the financial position or the business of SLP and/or its subsidiaries and the Directors of SLP have no knowledge of any proceedings pending or threatened against the Company and/or its subsidiary companies or of any facts likely to give rise to any proceedings which might materially or adversely affect the position or business of the SLP Group.

### 4.0 DOCUMENTS FOR INSPECTION

Copies of the following documents will be made available for inspection during normal office hours (except public holidays) at the Registered Office of SLP from the date of this Circular up to and including the date of the AGM: -

- (i) the Constitution (Memorandum and Articles of Association) of SLP; and
- (ii) the audited accounts for the financial year ended 31 December 2017 and 31 December 2018.

*PART B*

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**CIRCULAR TO SHAREHOLDERS IN RELATION TO: -**

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

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**SLP RESOURCES BERHAD**  
(Company No.: 663862-H)  
(Incorporated in Malaysia)

Registered Office:  
Suite 12-A, Level 12, Menara Northam  
No. 55, Jalan Sultan Ahmad Shah,  
10050 Georgetown, Penang

26 April 2019

**BOARD OF DIRECTORS: -**

Khaw Khoon Tee (Executive Chairman)  
Khaw Seang Chuan (Group Managing Director)  
Khaw Choon Hoong (Executive Director)  
Khaw Choon Choon (Executive Director)  
Leow Chan Khiang (Non-Independent Non-Executive Director)  
Mary Geraldine Phipps (Senior Independent Non-Executive Director)  
Chan Wah Chong (Independent Non-Executive Director)  
Law Cheng Lock (Independent Non-Executive Director)

To: The Shareholders of SLP RESOURCES BERHAD

Dear Sirs/Madam,

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

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**1.0 INTRODUCTION**

On 27 March 2019, the Board announced that the Company proposed to seek the shareholders' approval for the Proposed Adoption of A New Constitution of the Company ("Proposed Adoption").

The purpose of this Circular is to provide you with the relevant information on the Proposed Adoption, and to seek your approval for the special resolution to be tabled at the forthcoming Annual General Meeting ("AGM") of the Company at Sunway Hotel, Studio 1 & 2, Level 1A, 11, Lebuhraya Seberang Jaya, Prai, 13600 Penang on Friday, 31 May 2019 at 10.30 a.m. The Notice of AGM together with the Proxy Form are enclosed in the Annual Report 2018.

**YOU ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR, TOGETHER WITH THE APPENDIX CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED ADOPTION OF A NEW CONSTITUTION OF THE COMPANY.**

**2.0 DETAILS OF THE PROPOSED ADOPTION**

The Board proposes that the Company revoke its existing Memorandum & Articles of Association (Constitution) in its entirety with immediate effect and in place thereof, adopt a new Constitution, to provide clarity and consistency with the amendments that arise from the Companies Act 2016 which came into effect 31 January 2017 and to ensure compliance with the amended Bursa Securities' Main Market Listing Requirements which was issued on 29 November 2017.

A copy of the new Constitution proposed to be adopted is set forth in Appendix II of this Circular.

### **3.0 RATIONALE FOR THE PROPOSED ADOPTION**

The proposed amendments are primarily for the purpose of streamlining the Company's existing Memorandum & Articles of Association (Constitution) to be in line with the Companies Act 2016 which came into force on 31 January 2017, in compliance with the recent amendments of the Main Market Listing Requirements of Bursa Securities and to enhance administrative efficiency.

### **4.0 EFFECTS OF THE PROPOSED ADOPTION**

The Proposed Adoption will not have any effect on the share capital (other than the abolishment of par value), earnings, net assets per share and gearing of the Company.

### **5.0 DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS**

None of the Directors, substantial shareholders or person connected to Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Adoption.

### **6.0 APPROVALS REQUIRED FOR THE PROPOSED ADOPTION**

The Proposed Adoption is subject to the approval of the shareholders of the Company at the 14<sup>th</sup> AGM to be convened. Save for the approval of the shareholders of the Company, there is no other approvals required for the Proposed Adoption. The Proposed Adoption is not conditional upon any other proposal.

### **7.0 DIRECTORS' RECOMMENDATION**

Your Board, having considered all aspects of the Proposed Adoption, is of the opinion that the Proposed Adoption is in the best interest of the Company and its shareholders and accordingly your Board recommends that you vote in favour of the special resolution for the Proposed Adoption to be tabled at the forthcoming 14<sup>th</sup> AGM.

### **8.0 ANNUAL GENERAL MEETING**

The Notice of 14<sup>th</sup> AGM to consider and if thought fit, passing the special resolution pertaining to the Proposed Adoption as set out herein is also enclosed in the Annual Report 2018. The 14<sup>th</sup> AGM will be held at Sunway Hotel, Studio 1 & 2, Level 1A, 11, Lebuh Tenggiri Dua, Pusat Bandar Seberang Jaya, Prai, 13600 Penang on Friday, 31 May 2019 at 10.30 a.m., for the purpose of considering and, if thought fit, passing, inter alia, the special resolution set out in the Notice of AGM, to give effect to the Proposed Adoption.

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event, to arrive at the Registered Office of the Company at Suite 12-A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not later than forty-eight (48) hours before the time stipulated for holding the AGM. The lodgment of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

### **9.0 FURTHER INFORMATION**

Shareholders are requested to refer to Appendix I for further information.

Yours faithfully,  
On behalf of the Board of  
**SLP RESOURCES BERHAD**

**KHAW KHOON TEE**  
Executive Chairman



THE COMPANIES ACT, 2016  
PUBLIC COMPANY LIMITED BY SHARES

THE CONSTITUTION  
OF  
SLP RESOURCES BERHAD

**INTRODUCTION**

1. Name and type of company  
**SLP RESOURCES BERHAD** (“the Company”) was incorporated in Malaysia on 25<sup>th</sup> August 2004.  
The Company is a public company limited by shares.
2. Registered office  
The registered office of the Company will be situated in Malaysia.

**DEFINITION AND INTERPRETATION**

3. Definition  
In this Constitution, unless the context otherwise, the following words and phrase shall have the meaning assigned to them herein: -
  - (a) “Act” means the Companies Act 2016 and any statutory modification, amendment or re-enactment thereof and any 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.
  - (b) “Authorised Nominee” means a person who is authorised to act as nominee as specified under the CD Rules.
  - (c) “Beneficial Owner” in relation to Deposited Securities, means the ultimate owner of the Deposited Securities who is the person who is entitled to all rights, benefits, powers and privileges and is subject to all liabilities, duties and obligations in respect of, or arising from, the Deposited Securities, and does not include a nominee of any description.
  - (d) “Board” means the Company’s Board 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.
  - (e) “Bursa Securities” means Bursa Malaysia Securities Berhad (Company No. 30632-P) or such other name by which it may be known from time to time.
  - (f) “Bursa Depository” means Bursa Malaysia Depository Sdn. Bhd. (Company No. 165570-W) and/or its nominee.
  - (g) “Company” means SLP RESOURCES BERHAD (Company No. 663682-H).
  - (h) “Constitution” means this constitution as originally framed or as altered from time to time by Special Resolution.
  - (i) “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 as contained in the Central Depositories Act and/or the Rules.
  - (j) “Depositor” means a holder of a Security Account.
  - (k) “Director” means the director for the time being of the Company.
  - (l) “Electronic form” means any document or information sent, supplied, conveyed or transmitted initially and received at its destination by the intended recipient by means of electronic equipment in any form or modes for the processing (which expression includes digital compression) or storage of data received, conveyed or transmitted via wire, radio, optical, cloud, website means or any other electromagnetic means or equivalent and as permitted under the Listing Requirements or any combination thereof.
  - (m) “Exempt Authorised Nominee” means an authorised nominee defined under the SICDA, which is exempted from compliance with the provision of Section 25A(1) of the SICDA.
  - (n) “Listing Requirements” means Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time.
  - (o) “market day” means any day between Mondays to Fridays on which there is official trading on Bursa Securities.

- (p) “Members” means any person for the time being holding shares in the Company and whose name appears in the Register of Member on the Record of Depositors (except Bursa Depository Nominees Sdn. Bhd.).
- (q) “Office” means the registered office for the time being of the Company.
- (r) “Ordinary Resolution” means a resolution passed in accordance with the conditions prescribed in Section 291 of the Act.
- (s) “Record of Depositors” means the record of depositors provided by Bursa Depository to the Company under Chapter 24.0 of the Rules of Bursa Depository.
- (t) “Register of Members” means the register of members to be kept pursuant to the Act;
- (u) “Seal” means the common seal of the Company.
- (v) “Secretary” means any person or persons appointed to perform the duties of the secretary of the Company and shall include a joint, temporary, assistant or deputy secretary.
- (w) “Securities” means securities as defined in Section 2 of the Capital Markets and Services Act 2007 or any modification, amendments or re-enactment thereof for the time being in force;
- (x) “Security Account” means an account established by Bursa Depository for a Depositor for the recording of deposit of securities and for dealing in such Securities by the Depositor.
- (y) “SICDA” means the Securities Industry (Central Depositories) Act 1991 and every statutory amendment, modification or re-enactment thereof for the time being in force.
- (z) “Special Resolution” means a resolution passed in accordance with the conditions prescribed in Section 292 of the Act.

Unless otherwise defined herein, words and expressions defined in the Act shall when used herein bear the same meaning.

Reference to “writing” shall include, unless the contrary intention appears, references to printing, lithography, photography and any other modes of representing or reproducing words, letters, figures or marks in a visible form or in any other form or in any other form or manner, whether in hard copy or electronic form send 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.

Reference to “electronic communications” shall include, but shall not be limited to, unless the contrary intention appears, references to delivery of documents or information in electronic form by electronic means to be the electronic mail address or other address or number of addresses, as permitted by the law.

#### 4. Interpretation

- (a) Words denoting the singular number only shall include the plural and vice versa.
- (b) Words importing the masculine gender only shall include the feminine gender.
- (c) Words importing persons shall include corporations.
- (d) A “debenture” and “debenture holder” include “debenture stock” and “debenture stockholder”.
- (e) Where a word or phrase is given a defined meaning in this Constitution, any other grammatical form in respect of such word or phrase has a corresponding meaning.
- (f) Any reference in this Constitution to a numbered Article shall be construed as a reference to the Article bearing the number in this Constitution.
- (g) The headings and sub-headings in this Constitution are inserted for convenience of reference only and shall not affect the interpretation and construction of the provision therein.

## **OBJECTS AND POWERS**

### **5. Objects of the Company**

The objects for which the Company is established are as follows: -

- (a) To carry on the business of an investment holding company and for that purpose to acquire and hold either in the name of the Company or in that of any nominee shares, stocks, debentures, debenture stock, bonds, notes, obligations and securities issued or guaranteed by any company wherever incorporated or by any government, sovereign ruler, commissioners, public body or authority, supreme municipal, dependent, local or otherwise in any part of the world and to acquire such shares, stocks, debentures, debenture stock, bonds, notes, obligations and securities by original subscription, contract, tender, purchase, transfer, exchange, underwriting, participation in syndicates or otherwise and to exercise and enforce all rights and power conferred by or incidental to the ownership of such securities including without prejudice to the generality of foregoing all such powers of veto or control as may be conferred by virtue of the holding by company of some special proportion of the issue or nominal amount thereof or otherwise dispose of the same.
- (b) To amalgamate or enter into or carry into effect and develop any arrangement for sharing of profits, union of interest, co-operation, joint venture, joint working in business, reciprocal concession, or otherwise, with any person or company carrying on or engaged in any business or transaction which the company is authorised to carry on or engaged in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company.
- (c) To exercise and enforce all rights and powers conferred by or incident to the ownership of any such shares stock obligations or other securities including without prejudice to the generality of foregoing all such powers of veto or control as may be conferred by virtue of the holding by company of some special proportion of the issue or nominal amount thereof and to provide managerial and other executive supervisory and consultants services for or in relation to any company in which the company is interested upon such terms as may be thought fit.

### **6. Powers of the Company**

The Company shall be capable of exercising all the functions of a body corporate and have the full capacity to carry or undertake any business or activity, to do any act which it may do or to enter into any transactions with the full rights, powers and privileges for the purposes of carrying out the aforesaid objects and given under Section 21 of the Act.

### **7. Members' liabilities**

The liability of the Members is limited.

## **SHARES**

### **8. Class of shares**

The share in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, voting, return of capital or otherwise as set out in the Constitution.

### **9. Alteration of share capital**

Subject always to the provision of Article 8 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 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 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.

10. Allotment 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 provisions of the Act, Listing Requirements, this Constitution, and to the provisions of any resolution of the Company, the Board may issue, allot or otherwise dispose of such shares to such persons at such price, on such terms and conditions, with such preferred, deferred, or other special rights and subject to such restrictions and at such times the Board may determine PROVIDED ALWAYS that: -

- (a) shares in the Company shall not be issued to transfer a controlling interest in the Company without the prior approval of shareholders in meeting of Members;
- (b) in the case of shares other than ordinary shares, no special rights shall be attached until the same has been expressed in this Constitution; and
- (c) no Directors shall participate in a scheme that involves in 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.

11. Rights of preference shareholders

Subject to the Act, 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 holder of preference shares must have a right to vote in each of the following circumstances: -

- (a) when the dividend or part of the dividend on the shares is in arrears for more than six (6) months;
- (b) on a proposal to reduce the Company's share capital;
- (c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
- (d) on a proposal that affects the rights attached to the preference shares;
- (e) on a proposal to wind up the Company; and
- (f) during the winding up of the Company.

A holder of preference shares shall be entitled to the same rights as a holder of ordinary shares in relation to receiving notices, reports, audited financial statements and attending meetings.

12. Repayment of preference capital

Notwithstanding Article 11 hereof, the repayment of preference capital other than redeemable preference share or any alteration of preference shareholders' rights, may only be made pursuant to a Special Resolution of the preference shareholders concerned, PROVIDED ALWAYS that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing obtained from the holders of seventy-five per centum (75%) of the preference capital concerned within two (2) months of the meeting, shall be as valid and effectual as a Special Resolution carried at the meeting.

## VARIATION OF RIGHTS

13. Modification of class rights

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 the 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 seventy-five per centum (75%) of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting the provisions of this Constitution relating to meetings of Members shall mutatis mutandis apply so that the necessary quorum shall be two (2) persons at least holding or representing by proxy at least one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such Special Resolution the provisions of Section 292 of the Act shall apply with such adaptations as are necessary.

14. **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 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 participation in the profits or assets of the Company in some or in all aspects *pari passu* therewith.
15. **Commission on subscription of shares**  
The Company may exercise the powers of paying commission conferred by Section 80 of the Act, provided that the rate or the per centum of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the commission shall not exceed the rate of 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. Such commission may be satisfied by the payment of cash or the allotment of fully paid shares or partly paid up shares or by a combination of any of the aforesaid methods of payment. The Company may, on any issue of shares, also pay such brokerage as may be lawful.
16. **Interest on share capital during construction of works on building**  
Where any shares are issued for the purpose of raising money to defray the expenses of 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 or returns on the amount of such share capital as is for the time being paid up for the period and subject to the conditions 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 or buildings or plant.
17. **Trust not be recognised**  
Except as required by the law and as provided under the Listing Requirements, no person shall be recognised by the Company as holding any Securities upon any trust, and the Company shall not even when having notice thereof be bound by or be compelled to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a Security, or (except only as by this Constitution otherwise expressly provided or as required by law) any other rights in respect of any Security except in an absolute right to the entirety thereof in the registered holder.
18. **Share certificates**  
The Company may issue jumbo certificates in respect of shares or Securities in favour of Bursa Depository as may be directed by Bursa Depository pending the crediting of shares or Securities into the Securities Accounts of the person entitled to such shares or Securities or as may be prescribed by the SICDA and the Rules of Bursa Depository 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.

## **CALLS ON SHARES**

19. **The Board may make calls**  
The Board may from time to time make calls upon the Members as the Board may think fit in respect of any amount unpaid on their shares and not by the conditions of allotment thereof made payable at fixed times. Each Member shall (subject to receiving at least fourteen (14) days' notice specifying the date, time or times and place of payment except in the case of calls payable at fixed times pursuant to the conditions of allotment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Board may determine.
20. **When call deemed made**  
A call shall be deemed to have made at the time when the resolution of the Board authorising the call was passed. Any call may be made payable either in one sum or by instalments. No shareholder shall be entitled to receive any dividend or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him together with interest and expenses (if any).

21. **Interest on unpaid calls**  
If a sum called in respect of a share 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 as the Board may determine but the Board shall be at liberty to waive payment of the interest or compensation in whole or in part.
22. **Terms of issue may be treated as a call**  
Any sum which by the terms of issue of a share is made payable on allotment or at any fixed date shall for the purpose of this Constitution be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable and in the 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 the sum had become payable by virtue of a call duly made and notified.
23. **Difference in calls**  
The Board 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.
24. **Calls may be paid in advance**  
The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the money payable in respect of any shares held by him beyond the amount of the calls actually made thereon and upon all or any part of the money so advanced, the Company may (until the same would, but for the advance, become payable) pay interest at such rate as may be agreed between the Member paying the sum in advance and the Board. Such 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 has become payable be treated as paid up on the shares in respect of which they have been paid.

## **FORFEITURE OF SHARES**

25. **Notice to pay calls**  
If a Member fails to pay the whole or any part of any call or instalment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest at the rate which the Board may 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.
26. **Particulars in notice**  
The notice shall name a further day (not earlier than the expiration of fourteen (14) days from the date of service of the notice) on or before which 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 place appointed the shares in respect of which the same was made will be liable to be forfeited.
27. **Forfeiture**  
If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter before the payment required by the notice has been made be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
28. **The Board may cancel forfeiture**  
A share so forfeited shall become the property of the Company and may be re-allotted, sold or otherwise disposed of on such terms and in such manner as the Board thinks fit, and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Board thinks fit.

29. **Liability of member in respect of forfeited shares**  
A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, was payable by him to the Company in respect of the shares (together with interest or compensation at the rate determined by the Board from time to time from the date of forfeiture on the money for the time being unpaid if the Board thinks fit to enforce payment of such interest), but his liability shall cease if and when the Company receives payment in full of all such money in respect of the shares.
30. **Termination of interest**  
The forfeiture of a share shall at the time after the forfeiture result in the termination 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 Members whose share is forfeited and the Company, except only such of those rights, liabilities as are by this Constitution expressly saved or as are by the Act given or imposed in the case of past Members.
31. **Evidence of forfeiture**  
A statutory declaration in writing that the declarant is a Director or the Secretary of the Company that a share in the Company has been duly forfeited 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 share.
32. **Procedure for sale of forfeited shares**  
The Company may receive the consideration, if any, given for a forfeited share on any sale, re-allotment or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall be registered as the shareholder and shall not have his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or 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.
33. **Notice of forfeiture**  
Where any share has been forfeited in accordance with this Constitution, notice of any forfeiture shall forthwith be given to the holder of the share or the person entitled to the share by reason of the death or bankruptcy, as the case may be.
34. **Non-payment of sums due on issue of shares**  
The provisions of this Articles 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 at a fixed time, as if the same had been payable by virtue of a call duly made and notified.

## **LIEN**

35. **Company's lien on shares and dividends**  
The Company shall have a first and paramount lien on every share (not being a fully paid share), such lien to be restricted to unpaid call and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amount as the Company may be called upon by law to pay and has paid in respect of the shares of the Member or deceased Member. The Company's lien, if any, on a share shall extend to all dividends payable thereon and other moneys payable thereon or in respect thereof. The Board may at any time declare any share to be wholly or in part exempted from the provisions of this Article.
36. **Lien may be enforced by sale of shares**  
The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable and until there is default in payment of the same at the expiration 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.

37. **Board may effect transfer**  
To give effect to any such sale, the Board 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 Board 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 in relating to the sale.
38. **Application of proceeds of sale**  
The proceeds of the sale after payment of the amount of all costs of such sale and of any attempted sale shall be received by the Company and applied in 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 which exists over 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.

#### **INFORMATION OF SHAREHOLDING**

39. **Company may require any information of a Member**  
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 them by name and by other particulars sufficient to enable those persons to be identified and the nature of their interest.
40. **Company may require any information of beneficial interest**  
Where the Company is informed in pursuance of a notice given to any person under Article 38 hereof or this Article that any other person has an interest or 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: -
- (a) to inform the Company whether he holds that interest as beneficial owner or as trustee; and
  - (b) if he holds it as trustee, to indicate so far as he can the person(s) 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.
41. **Member to inform Company**  
The Company may by notice in writing require a Member of 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.

#### **TRANSFER OF SHARES**

42. **No restriction on transfer of fully paid-up listed securities**  
Subject to the Act, the Constitution, Rules of Bursa Depository and except as may be required by law, there shall be no restriction on the transfer of fully paid-up listed Securities in the Company.
43. **Transfer of Securities**  
The transfer of any listed Securities or class of listed Securities of the Company shall be by way of book entry by Bursa Depository in accordance with the Rules of Bursa Depository and, notwithstanding Sections 105, 106 and 110 of the Act, but subject to Section 148(2) of the Act and any exemptions 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 the listed Securities.
44. **Refusal to Register Transfer**  
The Bursa Depository may in its absolute discretion refuse to register any transfer that does not comply with the SICDA and the Rules of Bursa Depository.



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

45. Transfer of shares belonging to unlocated Members to the Minister  
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 or 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.

If after the expiration of thirty (30) days from the date of the advertisement the whereabouts of the Member remains unknown, the Company may transfer the shares held by the Member in the Company to the Minister charged with responsibility for finance and for this purpose may execute for and on behalf of the Member transfer of those shares to the Minister charged with responsibility for finance.

## **TRANSMISSION OF SHARES**

46. Death of Member  
In the case of the death of a Member, the legal representative of the deceased shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of the deceased Member from any liability in respect of the shares which has been held by the deceased Member.
47. Share of deceased or bankrupt Member  
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 Board and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Board shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of share by the Member before his death or bankruptcy.
48. Notice of election  
If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he elects to have another person registered, he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of this Constitution relating to the rights to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by that Member.
49. Person entitled or may receive dividend, etc.  
Where the registered holder of any share dies or becomes bankrupt, his personal representative or the assignee of his estate, as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the Board and upon registration as a Member be entitled to the same dividends and other advantages and to the same rights (whether in relation to meetings of Members or to voting or otherwise) as the registered holder would have been entitled to if he had not died or become bankrupt.
50. Transmission of securities between registers  
Where the Securities of the Company are listed on another stock exchange and the Company is exempted from compliance with Section 14 of the SICDA or Section 29 of the Securities Industry (Central Depositories) (Amendment) (No. 2) Act 1998, as the case may be under the Rules of Bursa Depository in respect of such Securities, the Company shall upon 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.

## **CONVERSION OF SHARES INTO STOCK**

51. Conversion to be at general meeting  
The Company may by Ordinary Resolution passed at a meeting of Members convert any of its paid-up shares into stock or re-convert any such stock into paid up shares of any denomination.
52. Transfer of stock  
The stockholders may transfer the same or any part thereof in the same manner and subject to the same in this Constitution 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 Board may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum.
53. Participation of stockholders  
The stockholders shall according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of Members and other matters as if they held the shares from which the stock arose, but no such rights, privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by any amount of the stock which would not, if existing in shares, have conferred that rights, privileges or advantages.
54. Definition  
Such of these Articles as are applicable to paid up shares shall apply to stock and the words “share” and “shareholder” therein shall include “stock” and “stockholder” respectively.

## **INCREASE OF CAPITAL**

55. Power to increase capital  
The Company may from time to time, whether all the shares for the time being issued shall have been fully called 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 and 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 by the resolution authorising such increase may direct.
56. Offer of new shares or securities  
Subject to any direction to the contrary that may be given by the Company in meeting of Members, all new shares or other convertible securities of whatever kind, 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 meetings of Members 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 and securities offered and limiting a time within which the offer, if not accepted shall 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 Board may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Board may 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 Board, be conveniently offered under this Article.
57. Ranking of new shares  
Except so far as otherwise provided by the conditions of issue in this Constitution, any shares capital raised by the creation of new shares shall be considered as part of the original share capital of the Company, and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the original share capital.

## **ALTERATION OF CAPITAL**

58. Power to alter capital  
The Company may by Special 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) convert all or any of its paid-up shares into stock and reconvert that stock into fully-paid shares;
  - (c) subdivide its shares or any part thereof into shares of smaller amount than is fixed by this Constitution by subdivision of its existing shares or any of them, subject nevertheless to the provisions of the Act and so that as between the resulting shares, one (1) or more of such shares may, by the resolution by which such subdivision is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such shares;
  - (d) cancel shares which at the date of the passing of the resolution in that behalf have not 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
  - (e) reduce its share capital, in any manner subject to the requirements and consents required, and with any incident authorised, under the Act and the Listing Requirements.
59. Purchase of Own Shares  
Subject to the Act, SICDA, Rules of Bursa Depository and this Constitution, the Company may, with the sanction of an Ordinary Resolution in meeting of Members purchase its own shares and any shares so purchased by the Company may be dealt with as provided by the Act and the Listing Requirements and/or any other relevant authority. The provision of Article 58 hereof shall not affect the power of the Company to cancel any shares or reduce its share capital pursuant to any exercise of the Company's powers under this Article.

## **MEETINGS OF MEMBERS**

60. Annual general meeting  
The Company shall in each year hold an annual general meeting in addition to any other meetings in that year, within six (6) months of the Company's financial year end and not more than fifteen (15) months after the last preceding annual general meeting.
61. Meeting of Members  
All other meetings of Members other than the annual general meeting shall be called extraordinary general meeting. The main venue of all meetings of Members and annual general meetings shall be within Malaysia at such time and place as the Board shall determine. The chairperson shall be present at the main venue of the meeting. The Board may whenever it so decide by resolution convene an extraordinary general meeting of the Company.
62. Requisition of meetings  
In addition, a meeting of Members other than an annual general meeting shall be convened on such requisition as referred to in 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 the requisitionist themselves in the manner provided in Section 313 of the Act. Any meeting convened by requisitionist shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Board.
63. Meetings of Members at two or more venues  
The meeting of Members may be held at more than one (1) venue using any technology or method that enables the Members to participate and to exercise the Members' rights to speak and vote at the meeting.
64. Notice of meeting  
Every notice of an annual general meeting shall be issued in accordance with the Act and shall specify the meeting as such and every meeting convened for passing a Special Resolution shall state the intention to propose such resolution as Special Resolution.

The notice convening meetings of Members shall specify the place, the date and the time of the meeting, and the general nature of business of the meeting. Notice shall be given to all Members, Directors and

Auditors of the Company at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any Special Resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business 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 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.

65. Business at meeting

Subject always to the provisions of the Act, no business shall be transacted at a meeting of Members except business of which notice has been given in the notice convening the meeting. An annual general meeting shall be held to transact the business in accordance with the Act, which include the laying of audited financial statements and the reports of the Directors and Auditors, the election of Directors in place of those retiring, the appointment and the fixing of the Directors' fees and benefits, and the appointment and fixing of the remuneration of the Auditors in accordance with the Act. The notice convening a meeting to consider a Special or Ordinary Resolution shall specify the intention to propose the resolution as a Special or Ordinary Resolution, as the case may be.

66. Requirement in notice calling meeting

In every notice calling a meeting of Members there shall appear with reasonable prominence a statement that a Member entitled to attend and vote, is entitled to appoint proxy(ies) in accordance with Article 82 hereof, to attend, participate, speak and vote instead of him.

67. Omission to give notice

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

68. Record of Depositors

The Company shall request Bursa Depository in accordance with the Rules of Bursa Depository, to issue a Record of Depositors to whom notices of meetings of Members shall be given by the Company. The Company shall also request Bursa Depository in accordance with the Rules of Bursa Depository, to issue a Record of Depositors, as at the latest date which is reasonably 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").

Subject to Securities Industry (Central Depositories)(Foreign Ownership) Regulations 1996 (where applicable), 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.

## **PROCEEDINGS AT MEETINGS OF MEMBERS**

69. Quorum

No business shall be transacted at meetings of Members 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 shall be a quorum. For the purposes of this Constitution, "Member" includes a person attending as a proxy or representing a corporation which is a Member.

70. Adjournment

If within half (1/2) an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case 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 that public holiday) at the same time and place or to such other day and at such other time and place as the Board may determine, but if a quorum is not present at an adjourned meeting within fifteen (15) minutes from the time appointed for holding the adjourned meeting, the Members present shall be a quorum.

71. **Chairperson of meeting of Members**  
The Chairman of the Board, if any or in his absence the Deputy Chairman of the Board, if any, shall preside as Chairman at every meeting of Members. If there is no such Chairman or Deputy Chairman, or if at any meeting neither the Chairman nor a Deputy Chairman is present within fifteen (15) minutes after the time appointed for holding the meeting, the Directors present shall choose one (1) of Directors to act as the chairperson of the meeting, or if one (1) Director only is present he shall preside as chairperson if he is willing to act. If no Director is chosen who shall be willing to act, the Member(s) or proxy(ies) present and entitled to vote shall elect one (1) among themselves to be the chairperson of the meeting. However, a proxy shall not be eligible for election as chairperson of the meeting.
72. **Adjournment with consent of meeting**  
The chairperson may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) 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.
73. **Polls**  
A resolution put to the vote at any meeting of Members shall be determined by poll. A poll shall be taken in such manner and either forthwith or after an interval or adjournment or otherwise as the chairperson directs and the results of the poll shall be the resolution of the meeting at which the poll was taken, but a poll demanded on the election of chairperson or on a question of adjournment shall be taken immediately. The Company shall appoint at least one (1) scrutineer to validate the votes cast by poll at any meeting of Members. Such scrutineer must not be an officer of the Company or its related corporation and must be independent of the person undertaking the polling process. If such scrutineer is interested in a resolution to be passed at the meeting of the Members, the scrutineer must refrain from acting as the scrutineer for that resolution.
- In addition to the power of adjourning meetings contained in Article 72 hereof, the Company may adjourn the meeting to some place and time fixed for the purpose of declaring the results of the poll.
- A poll may be conducted manually using voting slips or electronically using various forms of electronic voting devices. Such votes shall be counted by the administrator, and verified by the scrutineer(s), as may be appointed by the Company for the purpose of determining the outcome of the resolution(s) to be decided by poll.
74. **Evidence of passing of resolutions**  
The chairperson of the meeting declares whether or not the resolutions put to vote at a meeting of Members are carried, based on the poll results, which show the total number of votes cast on the poll (together with percentage) in favour of and against the resolution, as announced by the scrutineer.

## **VOTES OF MEMBERS**

75. **Voting rights**  
Subject to this Constitution and any rights or restrictions for the time being attached to any shares or classes of shares, at meetings of Members or classes of Members, each Member entitled to vote may vote in person or by proxy or by attorney. On a resolution to be decided on a show of hands, each Member entitled to vote in person or by proxy or by attorney shall be entitled to one (1) vote. While on a resolution to be decided by a poll, every Member voting in person or by proxy or attorney shall have one (1) vote for each share he holds.
76. **Shares of different monetary denominations**  
Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such a 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.
77. **Votes of Member of unsound mind**  
A Member who is 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, by his committee or by such other person who properly has the management of his estate and any such committee or other person may vote by proxy or attorney.

78. Member barred from voting while call unpaid

Subject to provisions in Article 68 hereof, no Member shall be entitled to be present or to vote on any question either personally or otherwise, as a proxy or attorney at any meeting of Members (including annual general meetings) or upon a poll or be reckoned in the quorum in respect of any shares (a) upon which calls are due and unpaid; and/or (b) where the instrument of proxy, the power of attorney or other authority, if any, naming another person/party (other than the said Member) as proxy, attorney or person/party authorised to so act has not been deposited with the Company in accordance with Article 84 hereof.

79. Objection to qualification of voter

No objection shall be raised 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 disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairperson of the meeting whose decision shall be final and conclusive.

80. Corporate representative

Subject to the provisions of Section 333 of the Act, any corporation which is a Member, may by resolution of its directors or other governing body, authorise such person(s) as it thinks fit to act as its representative(s) at all meetings of the Members and a 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 on behalf of the corporation as the corporation could exercise if it were an individual Member.

81. Members' power to require circulation of resolutions and statements

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

- (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 the meeting of Members; and (iii) statements of not more than one thousand (1,000) words with respect to the matter referred to in any proposed resolution or the business to be dealt with at the meeting.

## PROXY

82. Appointment of proxy

The instrument appointing a proxy shall be in writing under the hand of the Member or his attorney duly authorised in writing or if the Member is a corporation, shall either be executed under its common seal or under hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing. The instrument appointing a proxy authorises the proxy(ies) to demand or join in demanding a poll.

(a) Every Member include authorised nominee as defined under the SICDA and Exempt Authorised Nominees 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 meeting of the Members 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 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.

83. Form of Proxy

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

84. Delivery of instrument appointing proxies

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 that 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 for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid or in such other period(s) as may be provided or permitted under the Act and stipulated in the form of proxy or in the notice of meetings.

85. Validity of vote given under proxy

A vote given in accordance with the term of an instrument of proxy or attorney shall be valid, notwithstanding the previous death or unsoundness of mind of the principal or the transfer of the share in respect of which the instrument is given, if no intimation in writing of such death, unsoundness of mind or transfer as aforesaid has been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the instrument is used.

86. Termination of proxy

Termination of a Member's authority to act as proxy is upon the Company receiving a notice of termination at its Office at least forty-eight (48) hours before commencement of a meeting of Members or an adjourned meeting of Members.

**DIRECTORS: APPOINTMENT, REMOVAL, ETC.**

87. Numbers of Directors on the Board

Until otherwise determined by meeting of Members, the number of Directors (disregarding alternate Directors) shall not be less than two (2) nor more than twelve (12). Subject to the Listing Requirements and any vacancy arising, at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, shall be Independent Directors.

88. Retirement of Directors

An election of Directors shall take place each year at the annual general meeting of the Company where one-third (1/3) 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 (1/3) but not exceeding one-third (1/3) shall retire from office and be eligible for re-election. PROVIDED ALWAYS that all 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.

89. Selection of Directors to retire

The Directors to retire in each 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.

90. Notice of candidate as a Director

No person, not being a retiring Director shall be eligible for election to the office of Director at any meeting of Members unless a Member intending to propose him 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 Board 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 the registered holders of shares at least seven (7) clear days prior to the meeting at which the election is to take place.

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

91. **Retiring Director deemed to be re-appointed**  
The Company at the meeting at which a Director so 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 the 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, a 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.
92. **Motion for appointment of Directors**  
At any 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.
93. **Increase or reduction of number of Directors**  
The Company may from time to time by Ordinary Resolution passed at a meeting of Members increase or reduce the number of Directors to be appointed on the Board and may also determine in what rotation the increased or reduced number is to retire from the office.
94. **Removal of Directors**  
The Company may by Ordinary Resolution of which special notice is given in accordance with Section 206 of the Act, remove any Director before the expiration of his period of office and may if thought fit by Ordinary Resolution appoint another Director in his stead. The person so appointed shall hold office so long as the Director in whose place he is appointed would have held the same if he had not been removed.
95. **Power to add Directors**  
The Board 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 Board, but the total number of Directors shall not at any time exceed the number fixed in accordance with this Constitution. Any Director so appointed shall hold office only until the next 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.
96. **Directors' qualification**  
The shareholding qualification for Directors may be fixed by the Company in a meeting of Members and until so fixed, no shareholding qualification for Directors shall be required. All the Directors shall be entitled to receive notice of and to attend all meetings of Members.

## **REMUNERATION OF DIRECTORS**

97. **Fees and benefits for non-executive Directors**  
The fees of the Directors, and any benefits payable to the Directors including compensation for loss of employment of a Director shall from time to time be determined by an Ordinary Resolution of the Company in meeting of Members and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree PROVIDED ALWAYS that: -
  - (a) salaries payable to executive Director(s) may not include a commission on or percentage of turnover;
  - (b) fees payable to non-executive Directors shall be a fixed sum and not by a commission on or percentage of profits or turnover; and
  - (c) any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.
98. **Reimbursement of expenses**  
The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of the Board.



99. Special fees and benefits  
Subject to Article 97, any Director who by request of the Board serves on any committee or perform special services for any purposes of the Company may be paid such exact fees and benefits as the Board may determine.

## **DISQUALIFICATION OF DIRECTORS**

100. When offices of Director deemed vacant  
The office of Director shall be vacated if he or she: -
- (a) becomes disqualified from being a Director under Section 198 or 199 of the Act;
  - (b) ceases to be or is prohibited from being a Director by virtue of the Act;
  - (c) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
  - (d) dies;
  - (e) resigns his office by notice in writing to the Company and deposited at the Office of the Company;
  - (f) has retired in accordance with the Act or under this Constitution and is not re-elected; or
  - (g) is removed from office in accordance with the Act or the provision herein.

## **POWER AND DUTIES OF DIRECTORS**

101. Business of Company to be managed by the Board  
The business of the Company shall be managed by the Board, who may exercise all such powers of the Company as are not by the Act or by this Constitution required to be exercised by the Company in meeting of the Members, subject nevertheless to any of this Constitution, to the provisions of the Act, and to such regulations, being not inconsistent with this Constitution or such provisions, as may be prescribed by Ordinary Resolution of the Company in meeting of the Members, but no regulation made by the Company in meeting of the Members shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
102. The Board's borrowing power  
The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, and 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. PROVIDED ALWAYS that nothing contained in this Constitution shall authorise the Board to borrow any money or mortgage or charge any of the Company's undertaking, property, or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.
103. Power to maintain funds  
The Board may establish or arrange any contributory or non-contributory pension superannuation scheme for the benefit of, or pay a gratuity, pension or emolument to any person who is or has been employed by or in the service of the Company or any subsidiary of the Company or to any person who is or has been a Director or other officer of and holds or has held salaried employment in the Company or any subsidiary of the Company, and the widow, family or dependents of any such person. The Board may also subscribe to any association or fund which they consider to be for the benefit of the Company or any subsidiary of the Company or any such persons as aforesaid and make payments for or towards any hospital or scholastic expenses of such persons provided that any Director holding such salaried employment 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 and the approval of the Company in a meeting of Members.
104. Appointment of attorneys  
The Board may from time to time by power of attorney under the Seal appoint any corporation, firm or person or body or persons, whether nominated directly or indirectly by the Board to be the attorney(s) of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under this Constitution) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretion vested in him.

105. Signing of cheques etc.  
All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts 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 Board may from time to time by resolution determine.
106. Directors to act honestly and use reasonable care, skill and diligence  
A Director shall at all times act honestly and use reasonable 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 to cause detriment to the Company.
107. 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.

## **PROCEEDING OF DIRECTORS**

108. Meeting of Directors  
The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. A Director may at any time and the Secretary shall on his requisition summon a meeting of the Directors. Directors may participate in a meeting of Directors by means of a conference telephone or similar electronic telecommunicating device by means of which all persons participating in the meeting can hear each other and participate throughout the duration of the communication between the Directors and participants in a meeting pursuant to this Article shall constitute presence in person at such meeting.
109. 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 communication to all Directors and their alternate Directors who have a registered address in Malaysia, except in the case of an emergency, reasonable notice of every 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.
110. Quorum of Meeting of Directors  
The quorum necessary for the transaction of the business of the Board shall be two (2) and 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 discretions by or under this Constitution vested in or exercisable by the Board generally.
111. Chairman of Directors' meeting  
The Board may from time to time elect and remove a Chairman of the Board and determine the period for which he is to hold office. The Chairman so elected shall preside at all meetings of the Board but if no such Chairman be elected or if at any meeting the Chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, the Directors present may choose one (1) of their member to be chairperson of the meeting.
112. Chairman to have casting vote  
Subject to this Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Board and PROVIDED ALWAYS that in case of an equality of votes, the chairperson of the meeting shall have a second or casting vote. However, in the case of an equality of votes and where only two (2) Directors form a quorum, a chairperson of a meeting at which only such a 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.

113. Number of Directors below minimum  
The continuing Directors or sole continuing Director may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by or pursuant to this Constitution as the necessary quorum of Directors' meeting, the continuing Directors or Director except in an emergency, may act for the purpose of increasing the number of Directors to that minimum number or to summon a meeting of Members, but for no other purpose.
114. Disclosure of interest by Directors  
Every Director shall declare his interest in the Company and his interest in any contract or proposed contract with the Company as may be required by law. 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. A Director shall, notwithstanding his interest, be counted in the quorum for any meeting where a decision is to be taken upon any contract or proposed contract or arrangement in which he is in any way interested.
115. Power to vote  
Subject to Article 114 hereof, a Director shall 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.
116. Directors may become directors of other corporation  
A Director of the Company may be or become a Director or other officer of or otherwise be 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 accounted to the Company for any remuneration or other benefit 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 aspects 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 other relevant provisions of the Act and this Constitution.

#### **ALTERNATE DIRECTOR**

117. Appointment or removal of an alternate Director  
A Director may appoint any person (other than a Director) approved by a majority of the other Directors to act as his alternate Director and at his discretion by way of a notice to the Company, remove such alternate Director from office. An alternate Director may only be appointed as an alternate to one (1) Director. Any fee paid by the Company to an alternate Director shall be deducted from that Director's remuneration.
- Any appointment or removal of an alternate Director may be made in writing and send by hand, post, facsimile or in any other form or manner, electronic or otherwise, as approved by the Board.
118. Cessation of appointment of an alternate Director  
If a Director making any such appointment as aforesaid shall cease to be a Director (otherwise than by reason of vacating his office at a meeting of Members at which he is re-elected), the person appointed by him as an alternate Director shall thereupon cease to be alternate Director.
119. Rights of an alternate Director  
An alternate Director shall (except as regards power to appoint an alternate Director and remuneration) be subject in all respects to the terms and conditions existing with reference to the other Directors and shall

be entitled to receive notices of all meetings of the Directors and to attend, speak and vote at any such meeting at which his appointor is not present.

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.

#### **GROUP MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER**

120. Appointment

The Board may from time to time appoint one or more of their body to the office of Group Managing Director/Chief Executive Officer or Chief Executive Officers of the Company such period not exceeding three (3) years and be subject to re-appointment and other conditions as the Board thinks fit. The Board may vest in such person the necessary powers as the Board thinks fit for the discharge of his duties, subject to the control of the Board.

121. Remuneration

The remuneration of a Group Managing Director/Chief Executive Officer shall be fixed by the Board and 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 his appointment that he shall receive pension, gratuity or other benefits upon his retirement.

122. Group Managing Director/Chief Executive Officer subject to provisions of the contract and this Constitution

A Group Managing Director/Chief Executive Officer who is also appointed as a Director shall, subject to provisions of any contract between him and the Company, be subject to the same provisions as to retirement by rotation in accordance with Article 88 hereof, resignation and removal as the other Directors of the Company.

#### **COMMITTEES ESTABLISHED AND PERSONS APPOINTED BY THE BOARD**

123. Committees of the Board

The Board may establish any committees, local boards or agencies comprising 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 it may think fit for the conduct of the business thereof and may appoint any person or persons 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 or local board or agency any of the powers, authorities and discretion vested in the Board, with power to sub-delegate, and may authorise the member or members of any such committee or local board or 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 Board may think fit, and the Board may remove any person so appointed, and may annul or vary any such delegation, but no person or persons dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

124. Power of the Board to appoint

The Board may also appoint any person(s) 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 it may think fit for the conduct of the business thereof and may fix his or their remuneration and may delegate to any such person(s) any of the powers, authorities and discretion vested in the Board, with power to sub-delegate and any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit and the Board may remove any person or persons so appointed, and may annul or vary any such delegation, but no person or persons dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

125. Chairman of committee

A committee may elect a chairman of its meetings and if no such chairman is elected or if any meeting the chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, the members present may choose one (1) among themselves to be the chairman of the meeting.

126. Meeting of committee

Subject to any rules and regulations made pursuant to Article 123 hereof, 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, and in the case of equality of votes, the chairman of the said committee shall have a second or casting vote except where two (2) persons form a quorum, the chairman of a meeting of any such committee or local board or agency at which only such a quorum is present, or at which only two (2) persons are competent to vote in the question at issue, shall not have a casting vote.

## **VALIDATION OF ACTS**

127. Directors' act to be valid

All acts done by any meeting of the Directors or committee established by the Board or by any person(s) appointed by the Board pursuant to Article 123 and 124 hereof or by any person acting as a Director shall notwithstanding that it is afterwards discovered that there was some defects in the appointment of any such Director or person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

## **DIRECTORS' CIRCULAR RESOLUTIONS**

128. Resolution in writing

A resolution in writing signed by a majority of all Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted provided that the resolution is circulated to all the Directors then in Malaysia not being less than the quorum required and at the usual address in Malaysia to all other Directors; where a Director has an alternate, then such resolutions may also 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 minute book. Any such resolution may consist of several documents in like form, each signed by one (1) or more Directors. The expression "in writing" and "signed" includes approval by legible confirmed transmission by facsimile or other forms of electronic communications.

## **AUTHENTICATION OF DOCUMENTS**

129. Authentication of documents

Any Director or the Secretary or any person approved by the Board shall have power to authenticate any documents effecting the Constitution of the Company and any resolution passed by the Company or the Board 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 extract.

130. Conclusive evidence of resolutions and extract of minutes of meetings

A document purporting to be a copy of a resolution of the Board or an extract from the minutes of a meeting of the Directors which is certified as such in accordance with the provisions of Article 129 hereof 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 Board.

## **MINUTES AND REGISTERS**

131. Minutes of meetings and resolutions

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

- (a) of all appointment of officers;
- (b) of the names of all the Directors present at each meeting of the Board and of any committee of the Board and of the Company in meeting of Members;
- (c) of all resolutions and proceedings of meetings of Members and of meetings of the Directors and committee of Board; and
- (d) of all orders made by the Board and any committee of Board.

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.

132. Directors to Comply with Act

The Company shall in accordance with the provisions of the Act keep at the Office a register containing such particulars with respect to the Directors and managers 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 change in manner prescribed by the Act.

133. Minutes kept at the Office

The books containing the minutes of proceedings of any meeting of Members shall be kept by the Company at the Office and shall be open to the inspection of any Member without charge.

134. Registers to be kept

The Company shall also keep at the Office, registers which shall be open to the inspection of any Member without charge and to any other person on payment of a prescribed fee for each inspection, of 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 Sections 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.

## **SECRETARY**

135. Appointment or removal of a Secretary

The Secretary shall be appointed by the Board in accordance with the Act for such term, at such remuneration and upon such conditions as the Board thinks fit and any Secretary so appointed may be removed by the Board. The Board may from time to time by resolution appoint a temporary substitute for the Secretary or Secretaries who shall be deemed to be the Secretary during the term of his appointment.

## **SEAL**

136. Authority for use of 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 either 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 and 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 Share Seal (for affixing onto share certificates only pursuant to Article 138 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.

137. Official Seal for use abroad

The Company may exercise the powers conferred by Section 62 of the Act with regard to having an official Seal for use abroad and such powers shall be vested in the Board.

138. Official seal for share certificates, etc.

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 words "Share Seal" which is specifically used for affixing onto certificates that may be issued by the Company for any share, stock, loan stock, debenture 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 Article 136 hereof.

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

139. Directors to keep proper accounts

The Board shall cause the accounting and other records to be kept and shall distribute copies of the financial statements and other documents as required by the Act and shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting and other records of the Company or any of them shall be open to the inspection of Members not being Directors, and no Members (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 meeting of Members. Subject always to Section 245(5) and (6) of the Act, the books of accounting and records of operations 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.

140. Preparation and issuance of audited financial statements and Directors' report

The Board 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 financial statements and report 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.

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

A copy of each of the audited financial statements, the Directors' and Auditors' reports 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 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 the notice of meetings of Members from the Company under the provision of the Act or in this Constitution, in accordance with the provisions of the Act or of this Constitution, provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

## **AUDIT**

142. Appointment of Auditors

The Auditors shall be appointed for each financial year by Ordinary Resolution in accordance with Section 271 of the Act and their duties regulated in accordance with Section 266 of the Act.

143. Attendance of Auditors at general meetings where financial statements are laid

The Auditors shall attend every annual general meeting where the financial statements of the Company are to be laid, so as to respond according to his knowledge and ability to any question relevant to the audit of the financial statements in accordance with Section 285 of the Act.

## **DIVIDENDS AND RESERVES**

144. Distribution of dividends out of profits

The Company may make a distribution of dividends to the Members out of profits of the Company available if the Company is solvent, but no dividend shall exceed the amount as authorised by the Board.

145. Distribution only if the Company is solvent

The Board may authorise a distribution at such time and in such amount as the Board considers appropriate, if the Board is 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 as and when debts become due within twelve (12) months immediately after the distribution is made.

146. Setting aside of profits

The Board may, before authorising any distribution of dividend, set aside out of the profits of the Company such sums as it thinks proper as reserves fund which shall be applied by the Board in its absolute discretion as it thinks conducive to the interest of the Company and pending any such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares in the Company) as the Board may from time to time think fit and may

from time to time vary or realise such investments and dispose of all or any part thereof for the benefit of the Company, may divide any reserve fund into such special funds as it thinks fit, with all power to employ the assets constituting the reserve fund in the business of the Company and without being bound, keep the same separate from the other assets. The Board may also without placing the same reserve carry forward any profits which it may think prudent not to divide.

147. Payment 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 call shall be treated for the purposes of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date that share shall rank for dividend accordingly.

148. Deduction of dividends

The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account or calls or otherwise in relation to the shares of the Company.

149. Power to retain dividends on which the Company has a lien

The Board 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.

150. Dividends due may be retained until registration

The Board may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of share 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.

151. Unclaimed dividends may be invested

All dividends unclaimed for one (1) year, subject to the Unclaimed Moneys Act 1965 after having been declared may be dealt with in accordance with the provision of the Unclaimed Moneys Act 1965.

152. Distribution of specific assets

The Board in authorising a distribution of dividends may direct payment of such dividend wholly or partly by the distribution of specific assets and in particular of paid-up shares, debentures or debenture stock of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and 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 trustees as may seem expedient to the Board.

153. Payment by cheque or telegraphic transfer or electronic transfer

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 such person and to such address as the holder may in writing direct or by way of telegraphic transfer or electronic transfer or remittance 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 dividend 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.



## CAPITALISATION OF PROFITS

### 154. Bonus Issue

The Company in a meeting of Members may upon the recommendation of the Board resolve 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 Board shall give effect to such resolution.

### 155. Power of applications of undivided profits

Whenever such a resolution as aforesaid in Article 154 hereof shall have been passed, the Board 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 Board to make such provision by the issue of fractional certificates or by payment in cash in discharging debentures of the Company or otherwise as it thinks 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 up by the Company on their behalf, by the application thereto of their respective proportions of the profits 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.

## LANGUAGE

### 156. 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 Board shall cause a true translation of such financial statements, minute book 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 financial statements, minute books and other records are required to be kept by the Act.

## NOTICES

### 157. Service of notices and/or documents

Any notice or document required to be sent to Members may be given by the Company or the Secretary to any Member: -

- (a) in hard copy, either personally or sent by post to him in a prepaid letter addressed to him at last known address;
- (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 or document on the Company's website provided that a notification of the publication of the notice or documents on the website via hard 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 or document on the electronic platform via hard copy or electronic mail or short messaging service has been given to them accordingly.

158. When notices and/or documents delivered  
Any notice or document shall be deemed to have been served by the Company to a Member and/or Director:-
- (a) where the notice or document is delivered by hand, it is treated as being delivered at the time it is handed to or left for the Member/Director;
  - (b) where the notice or document is sent or supplied by the Company in hard copy or in electronic form, but not delivered by electronic means and which is sent by pre-paid post and properly addressed, it is treated as being received by the intended recipient twenty-four (24) hours after it was posted. It can be proved conclusively that a notice or document was received by post by showing that the notice or document was properly addressed and posted and put into a Government post office letter box or by a letter from the Secretary certifying that the notice or document has been posted;
  - (c) where the notice or document is sent or supplied by the Company by electronic means, it is treated as being received by the intended recipient at the time it was sent. It can be proved conclusively that a notice or document was received by electronic means by showing that the notice or document was properly addressed and that no written notification of delivery failure is received by the Company;
  - (d) where the notice or document is sent or supplied by the Company by means of a website it is treated as being received by the intended recipient when the material was first made available on the website thereon provided that the notification on the publication or availability of the notice or document on the relevant website has been given pursuant to Article 158(c).

In the event that service of a notice or document pursuant to Article 158(c) hereof is unsuccessful, the Company must, within two (2) market days from discovery of delivery failure, make alternative arrangements for serving the notice or document in hard copy in accordance with Article 158(b) hereof.

159. 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 not limited to service of notices and/or documents to the Member.
160. Notice and/or document in case of death or bankrupt  
A notice and/or document required to be sent to Member may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a Member by sending it through representatives of the deceased or assignee of the bankrupt or by any like description, at the last known address, in any manner in which the same might have been served if the death or bankruptcy had not occurred. 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 and/or document in respect of such share which, prior to his name and/or address being entered in the Register of Members as the registered holder of such share shall have been duly given to the person from whom he derives the title to such share.
161. Who May Receive Notice
- (a) Notice of every meeting of Members shall be given in any manner hereinbefore specified to:-
    - i) every Member;
    - ii) 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;
    - iii) the Auditors of the Company; and
    - iv) the Directors of the Company
  - (b) Except as aforesaid, no other person shall be entitled to receive notices of meeting of Members.
  - (c) All notices served for and on behalf of the Company or the Directors shall only be effectual if it bears the name of a Director or the Secretary or a duly authorised officer of the Company and which are issued by order of the Board pursuant to a resolution duly passed by the Board.

## **WINDING UP**

162. Distribution of assets in specie  
If the Company is wound up, the liquidator may with the sanction of a Special Resolution of the Company, divide amongst the Members 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 divisions 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 upon such trusts for the benefit of the

contributories as the liquidator, with the like sanction, think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

163. Distribution of assets

Save that this Article 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, at the commencement of the winding-up, on the shares held by them respectively.

164. Voluntary Liquidation

On the voluntary liquidation of the Company, no commission or fee shall be paid to the liquidator unless it shall have been approved by Members. The amount of such payment shall be notified to all Members at least seven (7) days prior to the meeting at which it is to be considered.

## **SECRECY CLAUSE**

165. 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 respecting 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 Board, it would be inexpedient in the interest of the Members if communicated to the public.

## **INDEMNITY**

166. Indemnity and insurance for Company's officer and Auditors

Subject to the provision of the Act, every Director, Auditor, Secretary and other officers (as defined in the Act) for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred or sustained by him in or about the execution of his duties of his office or otherwise in relation thereto, including 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 Court in respect of any negligence, default, breach of duty or breach of trust.

## **RECONSTRUCTION**

167. Power of the Board and liquidators to accept shares, as consideration for sale

On the sale of the undertaking of the Company, the Board 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 Board (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**

168. Company may alter or amend Constitution  
Subject to this Constitution, no amendment whether by way of rescission, alteration or addition shall be made to this Constitution unless the same has been passed by a Special Resolution.

## **EFFECT OF LISTING REQUIREMENTS**

169. Effect of Listing Requirements  
Notwithstanding anything containing in this Constitution: -
- (a) if the Listing Requirements prohibit an act being done, the act shall not be done;
  - (b) nothing contained in this Constitution prevents an act being done that the Listing Requirements require to be done;
  - (c) 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);
  - (d) if the Listing Requirements require this Constitution to contain a provision and they do not contain such a provision, this Constitution are deemed to contain that provision;
  - (e) if the Listing Requirements require this Constitution not to contain a provision and they contain such a provision, this Constitution are deemed not to contain that provision; and
  - (f) if any provision in this Constitution is or becomes inconsistent with the Listing Requirements, this Constitution is deemed not to contain that provision to the extent of the inconsistency.

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

170. Compliance  
Notwithstanding this Constitution, the Company shall comply with the Act, SICDA, the Listing Requirements and Bursa Rules in respect of all matters relating to Securities or otherwise where applicable.