

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

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

Pursuant to Paragraph 2.1 of Practice Note 18 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the documents in respect of the matters to be tabled for shareholders' approval at the forthcoming Annual General Meeting of the Company are not required to be perused by Bursa Securities. As such Bursa Securities has not perused this Circular to Shareholders ("Circular") prior to the issuance of this Circular. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to the accuracy or completeness and expressly disclaims any liabilities whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**MYCRON STEEL BERHAD**  
(Reg. No. 200301020399 (622819-D))  
(Incorporated In Malaysia)

**CIRCULAR TO SHAREHOLDERS**

In relation to the :

**PART A**

- **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR THE COMPANY AND/OR ITS SUBSIDIARIES TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES AND PROVISION OF FINANCIAL ASSISTANCE**

**PART B**

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

The above proposals will be tabled as Special Business at the Company's 16<sup>th</sup> Annual General Meeting ("AGM").

The Notice of the 16<sup>th</sup> AGM of the Company together with a Form of Proxy are enclosed together with the Annual Report for the financial year ended 30 June 2019. **The 16<sup>th</sup> AGM of the Company will be held at the Crystal Function Room, 4th Floor, Mutiara Complex, 3½ Miles, Jalan Ipoh, 51200 Kuala Lumpur on Friday, 29 November 2019 at 10.00 a.m.**

Your Form of Proxy should reach the Registered Office of the Company at Trace Management Services Sdn Bhd at Suite 11.05, 11th Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur on or before the date and time indicated below should you be unable to attend the 16<sup>th</sup> AGM. 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 lodgment of Form of Proxy : Wednesday, 27 November 2019 at 10.00 a.m.

Date and time of Annual General Meeting : Friday, 29 November 2019 at 10.00 a.m.

**This Circular is dated 31 October 2019**

## **DEFINITIONS**

For the purpose of this Circular, except where the context otherwise requires, the following terms and expression shall apply throughout this Circular :-

“Act” or “Companies Act”	: The Companies Act 2016, as amended from time to time and any re-enactment thereof.
“AGM”	: Annual General Meeting.
“Articles”	The Articles of Association of Mycron, as amended from time to time.
“Associated Company(ies)”	: An associated company as defined by International Financial Reporting Standards as approved by the Malaysian Accounting Standards Board’s Approved Accounting Standards.
“AQAS”	: Ausgard Quick Assembly Systems Sdn Bhd (Co. No. 1000862-D).
“Board” or “Directors”	: The Board of Directors of Mycron for the time being, and shall have the same meaning given in Section 2 of the Act and Section 2(1) of the Capital Market and Services Act, 2007. It includes any person who is or was within the preceding six (6) months of the date on which the terms of the RRPT(s) were agreed upon, a Director or a Chief Executive Officer of Mycron, its subsidiary or holding company.
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (Co. No. 165570-W).
“Bursa Securities”	: Bursa Malaysia Securities Berhad (Co. No. 635998-W).
“CCM”	Companies Commission of Malaysia.
“Code”	: Malaysian Code on Take Overs, Mergers and Compulsory Acquisitions as amended from time to time.
“EPS”	: Earnings Per Share.
“FYE”	Financial Year Ended / Ending.
“Issued Share Capital”	: RM219,417,313.60 consisting of 327,057,599 issued shares in Mycron.
“JNL”	Jack Nathan Limited (Co. No. 9043607).
“KLB”	: Khyra Legacy Berhad (Co. No. 741366-W).
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities including any amendment thereto that may be made from time to time.
“LPD”	: 1st October 2019 being the latest practicable date prior to the printing of this Circular.
“MAACA Legal Advisory”	: MAACA Legal Advisory Sdn Bhd (formerly known as MAA Corporate Advisory Sdn Bhd) (Co. No. 537265-U).

## **DEFINITIONS** (Continuation)

“MAAG”	: MAA Group Berhad (Co. No. 471403-A).
“MAAG Group”	: MAAG and its subsidiaries and associated companies, collectively.
“Major Shareholders”	: For the purpose of the Proposed Renewal of Shareholders’ Mandate, the definition of major shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the RRPT(s) were agreed upon, a major shareholder of the listed issuer as defined under paragraph 1.01 of the Listing Requirements (“Paragraph 1.01”) or any other corporation which is its subsidiary or holding company. Paragraph 1.01 defines a major shareholder as a person who has an interest or interests in one or more voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:  (i) 10% or more of the total number of voting shares in the corporation; or  (ii) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.  For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act.
“Market Day”	: Any day between Monday and Friday (inclusive) which is not a public holiday and when Bursa Securities is opened for trading of securities.
“M&A”	Memorandum & Articles of Association of the Company.
“MEBVI”	: Melewar Equities (BVI) Ltd (Co. No. 95686).
“Melewar Group of Companies”	: Melewar Group and its subsidiaries, collectively.
“MIE”	: Melewar Integrated Engineering Sdn Bhd (Co. No. 607061-A).
“MIG”	: Melewar Industrial Group Berhad (Co. No. 8444-W).
“MIG Group”	: MIG and its subsidiaries and associated companies, collectively.
“MIL”	: Melewar Imperial Limited (Co. No. LL07624).
“MSUK”	: Melewar Steel UK Ltd (Co. No. 10799548).
“MKSB”	: Melewar Khyra Sdn Bhd (Co. No. 49841-V).
“MSCRC”	: Mycron Steel CRC Sdn Bhd (Co. No. 177492-W).
“MSS”	: Melewar Steel Services Sdn Bhd (Co. No. 21834-P).
“MSM”	: Melewar Steel Mills Sdn Bhd (Co. No. 97904-K).
“MST”	: Melewar Steel Tube Sdn Bhd (Co. No. 111059-D).

## **DEFINITIONS** (Continuation)

“Mycron” or “the Company”	: Mycron Steel Berhad (Reg. No. 200301020399 (622819-D).
“Mycron Group” or “Group”	: Mycron and its subsidiaries, collectively.
“Mycron Share(s)” or “Shares”	: Ordinary share(s) in Mycron.
“NA”	: Net Assets.
“Person(s) Connected”	: Shall have the same meaning given in Paragraph 1.01, Chapter 1 of the Listing Requirements.
“Proposals”	: Collectively, Proposed Renewal of Shareholders’ Mandate and Proposed Adoption of New Constitution of the Company.
“Proposed Adoption”	: Proposed Adoption by the Company of the new Constitution as set out in Appendix 1 of the Circular.
“Proposed Renewal of Shareholders’ Mandate”	: Proposed renewal of existing shareholders’ mandate for the Mycron Group to enter into existing RRPT(s) with Related Parties and/or shareholders’ mandate for recurrent transactions in relation to provision of financial assistance approved at the AGM held on 29 November 2018.
“Record of Depositors”	: A record of securities holders established by the Bursa Depository under the Rules of Bursa Depository.
“Related Party(ies)”	: A director, major shareholder or person connected with such director or major shareholder of Mycron and 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 Director or Major Shareholder of Mycron or any other company which is its subsidiary or holding company or a Chief Executive Officer of the Company, its subsidiary or holding company.
“RM” and “Sen”	: Ringgit Malaysia and Sen respectively.
“RRPT(s)”	: Related party transaction(s) involving recurrent transactions 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 of the Mycron Group.
“Rules of Depository”	: Rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act 1991 and any amendments thereto.
“SC”	: Securities Commission Malaysia.
“Substantial Shareholder”	: A person who has an interest or interests in one or more voting shares in the Company and the nominal amount of that share, or aggregate of the nominal amount of those shares, is not less than 5% of the aggregate of the nominal amount of all the voting shares in the Company.

**DEFINITIONS** (Continuation)

“TK”	: Tunku Dato’ Kamil Ikram bin Tunku Tan Sri Abdullah.
“Trace”	: Trace Management Services Sdn Bhd (Co. No. 48646-M).
“TY”	: Tunku Dato’ Yaacob Khyra.

All references to “you” in this Circular is to the shareholders of the Company. All references to “we”, “us”, “our” and “our Company” in this Circular is to the Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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**MYCRON STEEL BERHAD**  
(Reg. No. 200301020399 (622819-D))  
(Incorporated in Malaysia)

Registered Office:

Suite 11.05, 11<sup>th</sup> Floor  
No. 566, Jalan Ipoh  
51200 Kuala Lumpur

Date : 31 October 2019

**BOARD OF DIRECTORS:**

**Tunku Dato' Yaacob Khyra**  
(Executive Chairman)

**Roshan Mahendran bin Abdullah**  
(Group Chief Executive Officer)

**Azlan bin Abdullah**  
(Non-Independent Non-Executive Director)

**Tunku Dato' Kamil Ikram bin Tunku Tan Sri Abdullah**  
(Non-Independent Non-Executive Director)

**Tan Sri Datuk Seri Razman Md Hashim bin Che Din Md Hashim**  
(Independent Non-Executive Director)

**Tengku Datuk Seri Ahmad Shah ibni  
Almarhum Sultan Salahuddin Abdul Aziz Shah**  
(Independent Non-Executive Director)

**Shazal Yusuf bin Mohamed Zain**  
(Senior Independent Non-Executive Director)

**Datin Seri Raihanah Begum binti Abdul Rahman**  
(Independent Non-Executive Director)

**Kwo Shih Kang**  
(Independent Non-Executive Director)

To: **The Shareholders of Mycron Steel Berhad**

Dear Sir/Madam,

**PART A**

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR THE COMPANY AND/OR ITS SUBSIDIARIES TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES AND PROVISION OF FINANCIAL ASSISTANCE**

**PART B**

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

## I INTRODUCTION

At the 15<sup>th</sup> AGM held on 29 November 2018, the Company obtained a mandate from its Shareholders to enter into Recurrent Related Parties Transactions (“RRPTs”) with Related Parties which are necessary for its day to day operations and are in the ordinary course of business based on the normal commercial terms which are not more favorable to the Related Parties than those generally available to the public and not to the detriment of Minority Shareholders (“Existing Mandate”).

The Existing Mandate shall lapse at the conclusion of the forthcoming AGM of the Company unless a new mandate for RRPTs is obtained from the shareholders at the AGM.

On 28 August 2019, the Board of Directors of the Company announced to Bursa Securities its intention to seek the shareholders’ approval on the following Proposals at the forthcoming AGM to be held on 29 November 2019 :-

- (i) Proposed Renewal of Shareholders’ Mandate; and
- (ii) Proposed Adoption of new Constitution of the Company.

The purpose of this Circular is to provide you with details on the Proposals and to seek your approval for the resolutions to be tabled at the forthcoming 16<sup>th</sup> AGM of the Company to be convened at the Crystal Function Room, 4th Floor, Mutiara Complex, 3½ Miles, Jalan Ipoh, 51200 Kuala Lumpur on Friday, 29 November 2019 at 10.00 a.m. The notice convening the 16<sup>th</sup> AGM together with the Form of Proxy have been set out in the Annual Report 2019.

**SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS AT THE FORTHCOMING AGM. THE PROPOSALS ARE NOT INTERCONDITIONAL UPON ONE ANOTHER.**

**PART A**

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR THE COMPANY AND/OR ITS SUBSIDIARIES TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES AND PROVISION OF FINANCIAL ASSISTANCE.**

## 1.0 DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

Under Paragraph 10.09(2) of the Listing Requirements, Mycron may seek a shareholders' mandate in respect of RRPT(s) which are necessary for its day-to-day operations subject to the following:

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party(ies) than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;
- (iii) the Company to issue a Circular to Shareholder in relation to the Shareholders' mandate shall include all information as may be prescribed by Bursa Securities, together with a checklist showing compliance with such information when submitting to Bursa Securities.
- (iv) in a meeting to obtain the shareholders' mandate, the interested Director, interested Major Shareholder(s) and/or interested persons connected with a Director or Major Shareholder; and where it involves the interest of an interested person connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution approving the transactions. An interested Director or interested Major Shareholder must ensure that persons connected with him/her/it abstain from voting on the resolution approving the transactions; and
- (v) Mycron immediately announces to Bursa Securities when the actual value of a RRPT(s) entered into by Mycron exceeds the estimated value of the RRPT(s) disclosed in the Circular to Shareholders by ten percent (10%) or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where a listed issuer has procured a shareholders' mandate pursuant to the above, the provisions of Paragraph 10.08 of the Listing Requirements will not apply with regard to transactions as detailed in Sections 3.3(A) and 3.3(B) of Part A of this Circular.

Transactions entered between a listed issuer (or any of its wholly owned subsidiaries) and its wholly owned subsidiaries are excluded from the requirements of Chapter 10.09(2) of the Listing Requirements.

Mycron Group has entered into certain RRPT(s) in the ordinary course of business and it is anticipated that the Mycron Group would, in the ordinary course of business continue to enter into such RRPT(s) referred to in Sections 3.3(A) and 3.3(B) of Part A of this Circular. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

In view of the time-sensitive, confidentiality and frequent nature of such RRPT(s), the Board of Directors is seeking the shareholders' approval for the Proposed Renewal of Shareholders' Mandate for the Mycron Group to enter into the categories of RRPT(s) referred to in Sections 3.3(A) and 3.3(B) of Part A of this Circular with the Related Parties, provided that such transactions are entered into at arm's length and on terms which are not more favourable to the Related Parties than those generally available to the public and which are not detrimental to the minority shareholders of Mycron. The RRPT(s) will also be subject to the review procedures as set out in Section 5.0 of Part A of this Circular.

In compliance with Chapter 10 of the Listing Requirements, Practice Notes No. 12 and No. 14, Mycron now proposes to seek shareholders' approval on the Proposed Renewal of Shareholders' Mandate for the RRPT(s) to allow the Company to enter into RRPT(s) from time to time with the related parties. Such mandate will enable the Group to enter into the RRPT(s) without the necessity, in most instances, to make the otherwise required announcement or to convene meetings in order to procure specific prior approval of its shareholders. The Proposed Renewal of Shareholders' Mandate will take effect from the date the Ordinary Resolution is passed by the shareholders at the forthcoming 16<sup>th</sup> AGM of the Company or at any adjournment thereof and will remain in effect until:

- (i) the conclusion of the next AGM of the Company following the AGM at which such Proposed Renewal of Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company after the forthcoming AGM is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier.

Disclosure will be made in accordance with Section 3.1.5 of Practice Note No. 12 issued by Bursa Securities, which requires the breakdown of the aggregate value of the RRPT(s) entered into during the financial year based on, amongst others, the following information:

- (i) types of RRPT(s); and
- (ii) names of Related Parties involved in each type of RRPT(s) entered into and their relationship with the Company,

pursuant to the Proposed Renewal of Shareholders' Mandate in the Company's Annual Report, and in the annual report for subsequent years that the Proposed Renewal of Shareholders' Mandate continues to be in force.

The principal activities of the Company consist of investment holding and the provision of management services to its subsidiaries. The principal activities of its subsidiaries are as follows:

**Subsidiaries Companies of Mycron**

<b>Name of Company</b>	<b>% Held</b>	<b>Principal Activities</b>
MSCRC	100.0	Manufacturing and trading of steel cold rolled coiled sheets.
Melewar Steel Tube Sdn Bhd	100.0	Manufacturing, distribution and trading of steel pipes and tubes.

**Subsidiary of MSCRC**

<b>Name of Company</b>	<b>% Held</b>	<b>Principal Activities</b>
Silver Victory Sdn Bhd	100.0	Trading of steel related products.

## 2.0 CLASSES OF RELATED PARTY(IES) WITH WHOM TRANSACTIONS WERE AND WILL BE CARRIED OUT

The Proposed Renewal of Shareholders' Mandate would apply to transactions with the Related Parties as described below:

### (i) Major Shareholder

Name of Company / Person	Principal Activities	Relationship
MIG	Property investment and investment holdings	TY is deemed interested in MIG by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG, a Major Shareholder of Mycron.

### (ii) Persons Connected to Interested Directors of the Company and/or the Interested Major Shareholders of the Company

KLB	Investment holding	KLB is the holding company of MEBVI and MKSB who are the Major Shareholders of MIG, a Major Shareholder of Mycron.  TY is a beneficiary of a trust known as KLB.
MEBVI	Investment holding	MEBVI is a Major Shareholder of MIG who is a Major Shareholder of Mycron.  MEBVI is also a Substantial Shareholder of MAAG.  MEBVI is a subsidiary of KLB.
MKSB	Investment holding	MKSB is a Major Shareholder of MIG who is a Major Shareholder of Mycron.  MKSB is a subsidiary of KLB.
MAAG	Investment holding and providing corporate administrative and management support services to its subsidiaries	KLB is deemed interested in MAAG by virtue of it being the holding company of MEBVI.  TY is a director of MAAG.
MAACA Legal Advisory	Providing corporate advisory and consultancy services	MAACA Legal Advisory is a wholly owned subsidiary of MAA Corporation Sdn Bhd ("MAA Corp") who in turn is a wholly owned subsidiary of MAAG.

<b>Name of Related Parties</b>	<b>Principal Activities</b>	<b>Relationship</b>
MIE	Provision of engineering and technical consultancy services	MIE is a wholly owned subsidiary of MIG. MIG is a Major Shareholder of Mycron.
MSM	Trading of Steel and Iron products/scrap	MSM is a wholly owned subsidiary of MIG. MIG is a Major Shareholder of Mycron.
AQAS	Supply and construct of quick assembly homes	AQAS is a wholly owned subsidiary of MIG. MIG is a Major Shareholder of Mycron.
MSS	Property investment	MSS is a wholly owned subsidiary of MIG. MIG is a Major Shareholder of Mycron.
JNL	Wholesale and distribution of steel tubes in the United Kingdom	JNL is a wholly owned subsidiary of MIL, which in turn is a wholly owned subsidiary of MIG. MIG is the Major Shareholder of Mycron.
MSUK	Distribution of steel tube in the United Kingdom	MSUK is a wholly owned subsidiary of MIL, which in turn is a wholly owned subsidiary of MIG. MIG is the Major Shareholder of Mycron.
Trace	Providing corporate secretarial services	A company in which TY and TK have deemed interest by virtue of their major interests in The Melewar Corporation Berhad ("TMC"), who in turn is the holding company of Trace; TMC is the family owned investment holding company.

The direct and indirect interest of interested Directors and interested Major Shareholders in Mycron as at 1 October 2019 is as follows:

<b><u>Name</u></b>	<b><u>Direct Interest</u></b>	<b><u>%<sup>(a)</sup></u></b>	<b><u>Indirect Interest</u></b>	<b><u>%<sup>(a)</sup></u></b>
<b><u>Interested Directors:</u></b>				
TY	Nil	Nil	242,523,025	74.15 <sup>(1)</sup>
TK	Nil	Nil	62,760	0.02 <sup>(2)</sup>

<u>Name</u>	<u>Direct Interest</u>	<u>%<sup>(a)</sup></u>	<u>Indirect Interest</u>	<u>%<sup>(a)</sup></u>
<b><u>Interested Major Shareholders:</u></b>				
MIG	242,460,265	74.13	Nil	Nil
MEBVI	Nil	Nil	242,460,265	74.13 <sup>(3)</sup>
MKSB	Nil	Nil	242,460,265	74.13 <sup>(3)</sup>
KLB	Nil	Nil	242,460,265	74.13 <sup>(4)</sup>

**Notes:**

- (a) The percentages of shareholdings of the Directors and Major Shareholders are calculated by dividing the shares held by the respective Directors and Major Shareholders with the total number of issued shares.
- (1) Deemed indirect interest by virtue of TY being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB, who are the Major Shareholders of MIG, a Major Shareholder of Mycron.
- (2) TK is a director and a shareholder with 12.5% shareholdings in Melewar Group Berhad ("MGB") which is the family owned investment holding company. MGB holds 0.02% of the issued share capital of Mycron.
- (3) Deemed indirect interest by virtue of it being the Major Shareholder of MIG who is a Major Shareholder of Mycron.
- (4) Deemed indirect interest by virtue of it being the holding company of MEBVI and MKSB, who are the Major Shareholders of MIG, a Major Shareholder of Mycron.

### 3.0 NATURE OF RRPT(S)

#### 3.1 GENERAL DETAILS OF RRPT(S)

The types of RRPT(s) to be covered by the Proposed Renewal of Shareholders' Mandate relate principally to transactions for the provision of product and services to/from the Related Parties which are necessary for the Group's day-to-day operations and in the ordinary course of the Mycron Group's business.

The details of the Proposed Renewal of Shareholders' Mandate to be sought are set out in Sections 3.3(A) and 3.3(B) of Part A of this Circular. The estimated aggregate value of the transactions may vary from time to time subject to changes.

The actual value of transactions reflected in the 8th column of Sections 3.3(A) and 3.3(B) of Part A of this Circular is the aggregate amount of the transactions calculated from the date of the AGM held in 2018 which was 29 November 2018 up to the latest practicable date prior to the printing of this Circular which did not exceed by 10% or more of the estimated value as approved under the previous shareholders' mandate granted to the Company at the 15<sup>th</sup> AGM held on 29 November 2018.

#### 3.2 AMOUNT DUE AND OWING TO THE COMPANY BY RELATED PARTIES

As at the financial year ended 30 June 2019, there were no amounts due from or owing to Mycron Group by its Related Parties, which exceeded the credit term given arising from the RRPT(s) as per Sections 3.3(A) and 3.3(B) of Part A of this Circular.

### 3.3(A) CLASS AND NATURE OF RRPT(S)

#### (i) Proposed Renewal of Shareholders' Mandate for RRPT with Melewar Group of Companies

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 31.10.2018 ("Estimated Value")	Actual value of transactions (from the date of AGM held on 29.11.2018 up to LPD)	(1) Estimated value of transactions (from 29.11.2019 till next AGM) ("Current Estimated Value")
1.	Trace	Provision of corporate secretarial services by the Related Party to Mycron Group	<b>Interested Directors</b> TY & TK	TY and TK are deemed interested in Trace by virtue of their major interests in TMC, who in turn is the holding company of Trace; TMC is the family owned investment holding company.	Nil	500,000	157,959	500,000

(ii) Proposed Renewal of Shareholders' Mandate for RRPT(s) with MAAG Group

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 31.10.2018 ("Estimated Value")	Actual value of transactions (from the date of AGM held on 29.11.2018 up to LPD)	(1) Estimated value of transactions (from 29.11.2019 till next AGM) ("Current Estimated Value")
1.	MAACA Legal Advisory	Provision of corporate consultancy services by the Related Party to Mycron Group	<b>Interested Director</b> TY  <b>Interested Major Shareholders</b> MEBVI, MKSB and KLB	TY is deemed interested in MAACA Legal Advisory.  TY is a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB.	MAACA Legal Advisory is a wholly owned subsidiary of MAA Corporation Sdn Bhd who in turn is a wholly owned subsidiary of MAAG whose ultimate Major Shareholder is KLB.	800,000	Nil	Nil
2.	MAAG	Human Resource fee charged by the Related Party to Mycron	<b>Interested Director</b> TY  <b>Interested Major Shareholders</b> MEBVI, MKSB and KLB	TY is deemed interested in MAAG.  TY is a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB.	KLB is the ultimate Major Shareholder of MAAG.	300,000	23,436	Nil

(iii) Proposed Renewal of Shareholders' Mandate for RRPT(s) with MIG Group

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 31.10.2018 ("Estimated Value")	Actual value of transactions (from the date of AGM held on 29.11.2018 up to LPD)	(1) Estimated value of transactions (from 29.11.2019 till next AGM) ("Current Estimated Value")
1.	MIG	Provision of treasury services by the Related Party to MSCRC	<p><b>Interested Director</b> TY</p> <p><b>Interested Major Shareholders</b> MIG, MEBVI, MKSB and KLB</p>	TY is deemed interested in MIG and MSCRC by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG.	MSCRC is a wholly owned subsidiary of Mycron.  MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	240,000	Nil	240,000
2.	MIG	Sale of pipes by the Related Party to MSCRC	<p><b>Interested Director</b> TY</p> <p><b>Interested Major Shareholders</b> MIG, MEBVI, MKSB and KLB</p>	TY is deemed interested in MIG and MSCRC by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG	MSCRC is a wholly owned subsidiary of Mycron.  MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	400,000	Nil	Nil

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 31.10.2018 ("Estimated Value")	Actual value of transactions (from the date of AGM held on 29.11.2018 up to LPD)	(1) Estimated value of transactions (from 29.11.2019 till next AGM) ("Current Estimated Value")
3.	MSM	Sale of scrap by MSCRC to the Related Party	<b>Interested Director</b> TY  <b>Interested Major Shareholders</b> MIG, MEBVI, MKSB and KLB	TY is deemed interested in MSM and MSCRC by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG.	MSM is a wholly owned subsidiary of MIG.  MSCRC is a wholly owned subsidiary of Mycron.  MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	15,000,000	Nil	Nil
4.	MIE	Provision of technical and consultancy services by the Related Party to MSCRC for expansion projects in cold roll mill	<b>Interested Director</b> TY  <b>Interested Major Shareholders</b> MIG, MEBVI, MKSB and KLB	TY is deemed interested in MIE and MSCRC by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG	MIE is a wholly owned subsidiary of MIG.  MSCRC is a wholly owned subsidiary of Mycron.  MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	1,200,000	Nil	1,200,000

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 31.10.2018 ("Estimated Value")	Actual value of transactions (from the date of AGM held on 29.11.2018 up to LPD)	(1) Estimated value of transactions (from 29.11.2019 till next AGM) ("Current Estimated Value")
5.	MIG	Management fees for the provision of management services/advice charged by the Related Party to MSCRC	<b>Interested Director</b> TY  <b>Interested Major Shareholders</b> MIG, MEBVI, MKSB and KLB	TY is deemed interested in MIG and MSCRC by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG	MSCRC is a wholly owned subsidiary of Mycron.  MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	2,000,000	1,350,000	2,000,000
6.	MIE	Technical Advisory fees charged by the Related Party to MST	<b>Interested Director</b> TY  <b>Interested Major Shareholders</b> MIG, MEBVI, MKSB and KLB	TY is deemed interested in MIE and MST by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG.	MST is a wholly owned subsidiary of Mycron.  MIE is a wholly owned subsidiary of MIG.  MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	150,000	24,000	150,000

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 31.10.2018 ("Estimated Value")	Actual value of transactions (from the date of AGM held on 29.11.2018 up to LPD)	(1) Estimated value of transactions (from 29.11.2019 till next AGM) ("Current Estimated Value")
7.	MIG	Rental charged by the Related Party to MST for the use of the factory belonging to MIG. (Lot 10 and Lot 49)  (Please refer to Note 2(a) of Page 19 of this Circular).	<b>Interested Director</b> TY  <b>Interested Major Shareholders</b> MIG, MEBVI, MKSB and KLB	TY is deemed interested in MIG and MST by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG.	MST is a wholly owned subsidiary of Mycron.  MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	5,000,000	2,871,550	5,000,000
8.	MSS	Rental charged by the Related Party to MST for the use of the factory belonging to MSS.	<b>Interested Director</b> TY  <b>Interested Major Shareholders</b> MIG, MEBVI, MKSB and KLB	TY is deemed interested in MST and MSS by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG	MST is a wholly owned subsidiary of Mycron.  MSS is a wholly owned subsidiary of MIG.  MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	600,000	Nil	600,000

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 31.10.2018 ("Estimated Value")	Actual value of transactions (from the date of AGM held on 29.11.2018 up to LPD)	(1) Estimated value of transactions (from 29.11.2019 till next AGM) ("Current Estimated Value")
9.	MSM	Sale of scrap by MST to the Related Party	<b>Interested Director</b> TY  <b>Interested Major Shareholders</b> MIG, MEBVI, MKSB and KLB	TY is deemed interested in MST and MSM by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG	MST is a wholly owned subsidiary of Mycron.  MSM is a wholly owned subsidiary of MIG.  MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	3,000,000	Nil	Nil
10.	MIG	Provision of management fees charged by the Related Party to MST	<b>Interested Director</b> TY  <b>Interested Major Shareholders</b> MIG, MEBVI, MKSB and KLB	TY is deemed interested in MST and MIG by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG	MST is a wholly owned subsidiary of Mycron.  MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron	2,000,000	1,350,000	2,000,000

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 31.10.2018 ("Estimated Value")	Actual value of transactions (from the date of AGM held on 29.11.2018 up to LPD)	(1) Estimated value of transactions (from 29.11.2019 till next AGM) ("Current Estimated Value")
11.	AQAS	Sale of pipes by MST to the Related Party	<b>Interested Director</b> TY  <b>Interested Major Shareholders</b> MIG, MEBVI, MKSB and KLB	TY is deemed interested in MST and AQAS by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG	MST is a wholly owned subsidiary of Mycron.  AQAS is a wholly owned subsidiary of MIG.  MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	2,000,000	Nil	2,000,000
12.	MIE	Technical advisory fees charged by the Related Party to MSCRC	<b>Interested Director</b> TY  <b>Interested Major Shareholders</b> MIG, MEBVI, MKSB and KLB	TY is deemed interested in MIE and MSCRC by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG	MSCRC is a wholly owned subsidiary of Mycron.  MIE is a wholly owned subsidiary of MIG.  MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	300,000	48,000	300,000

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 31.10.2018 ("Estimated Value")	Actual value of transactions (from the date of AGM held on 29.11.2018 up to LPD)	(1) Estimated value of transactions (from 29.11.2019 till next AGM) ("Current Estimated Value")
13.	MSM	Scrap handling commission fee charged by the Related Party to MSCRC	<b>Interested Director</b> TY <b>Interested Major Shareholders</b> MIG, MEBVI, MKSB and KLB	TY is deemed interested in MSM and MSCRC by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG	MSCRC is a wholly owned subsidiary of Mycron.  MSM is a wholly owned subsidiary of MIG.  MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	3,000,000	858,875	5,000,000
14.	MSM	Scrap handling commission fee charged by the Related Party to MST.	<b>Interested Director</b> TY <b>Interested Major Shareholders</b> MIG, MEBVI, MKSB and KLB	TY is deemed interested in MSM and MST by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG	MST is a wholly owned subsidiary of Mycron.  MSM is a wholly owned subsidiary of MIG.  MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	1,000,000	137,404	1,000,000

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 31.10.2018 ("Estimated Value")	Actual value of transactions (from the date of AGM held on 29.11.2018 up to LPD)	(1) Estimated value of transactions (from 29.11.2019 till next AGM) ("Current Estimated Value")
15.	Melewar Steel UK Ltd ("MSUK")	Purchase of steel pipes and tubes by Related Party from MST	<b>Interested Director</b> TY <b>Interested Major Shareholders</b> MIG, MEBVI, MKSB and KLB	TY is deemed interested in MST and MSUK by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG.	MST is a wholly owned subsidiary of Mycron.  MSUK is a wholly owned subsidiary of Imperial Melewar Limited ("MIL"), which in turn is a wholly owned subsidiary of MIG.  MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	10,000,000	Nil	10,000,000
16.	Jack Nathan Limited ("JNL")	Purchase of steel pipes and tubes by the Related Party from MST	<b>Interested Director</b> TY <b>Interested Major Shareholders</b> MIG, MEBVI, MKSB and KLB	TY is deemed interested in MST and JNL by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG	MST is a wholly owned subsidiary of Mycron.  JNL is a wholly owned subsidiary of MIL, which in turn is a wholly owned subsidiary of MIG.  MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	10,000,000	24,332	10,000,000

**Note :**

(1) The Current Estimated Value of the RRPT(s) are based on the Actual Value transacted and/or management's estimate of the value to be transacted during the validity period of the Proposed Renewal of Shareholders' Mandate. The Current Estimated Value of these transactions may be subject to changes. None of the Actual Value of the RRPT(s) disclosed above has exceeded the Estimated Value by 10% or more.

(2) The particulars of rental charged are as follows :-

	Tenant	Location	Sq. Ft.	Rental Rate per month (RM p.s.f.)	Tenancy Period (years)	Purpose of Business Transaction
(a)	MST	Lot 49, Jalan Utas, 40200 Shah Alam, Selangor	209,935	0.904	1 Perpetual Auto 3 years Renewal	Factory Rental
		Lot 10, Persiaran Selangor, 40200 Shah Alam, Selangor	120,446	0.809	1 Perpetual Auto 3 years Renewal	Factory Rental

### 3.3(B) NATURE OF RRPT(S) FOR THE PROVISION OF FINANCIAL ASSISTANCE

The RRPT(s) for the provision of financial assistance between Mycron Group and the classes of related parties and the nature of transactions are as follows:

No.	Type of Financial Assistance	Related Party	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 31.10.2018 ("Estimated Value")	Actual value of transactions (from the date of AGM held on 29.11.2018 up to LPD)	(1) Estimated value of transactions (from 29.11.2019 till next AGM) ("Current Estimated Value")
1.	Provision of guarantees, indemnity or such other collateral to or in favour of another person which is necessary in order for MIE to procure a contract or secure work from the other person or to enable the other person to commence and/or complete a contract or work for Mycron Group.	MIE	<b>Interested Director</b> TY  <b>Interested Major Shareholders</b> MIG, MEBVI, MKSB and KLB	TY is deemed interested in MIE by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG.	MIE is a wholly owned subsidiary of MIG.  MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	Not exceeding RM5.0 million	Nil	Not exceeding RM5.0 million
2.	Provision of financial assistance to MIG Group by the pooling of funds via a centralized treasury management function within Mycron Group on a short or medium term basis i.e. for a duration not exceeding three (3) years.	MIG Group	<b>Interested Director</b> TY  <b>Interested Major Shareholders</b> MIG, MEBVI, MKSB and KLB	TY is deemed interested in MIG by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG.	MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	Not exceeding RM5.0 million	Nil	Not exceeding RM5.0 million

No.	Type of Financial Assistance	Related Party	Interested Related Parties	Manner of relationship with the Related Party		Value of Transaction (RM)		
				Director	Major Shareholder	Estimated aggregate value as disclosed in the Circular to Shareholders dated 31.10.2018 ("Estimated Value")	Actual value of transactions (from the date of AGM held on 29.11.2018 up to LPD)	(1) Estimated value of transactions (from 29.11.2019 till next AGM) ("Current Estimated Value")
3.	Provision of guarantee to financial institutions, as and when required, to secure the continuing trade facilities extended to direct and indirect subsidiaries.	MIG Group	<b>Interested Director</b> TY  <b>Interested Major Shareholders</b> MIG, MEBVI, MKSB and KLB	TY is deemed interested in MIG by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG.	MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	Not exceeding RM100.0 Million	Nil	Not exceeding RM100.0 Million

Note :

The Current Estimated Value of the RRPT(s) are based on the Actual Value transacted and/or management's estimate of the value to be transacted during the validity period of the Proposed Renewal of Shareholders' Mandate. The Current Estimated Value of these transactions may be subject to changes. None of the Actual Value of the RRPT(s) disclosed above has exceeded the Estimated Value by 10% or more.

#### **4.0 BASIS OF ESTIMATES**

The pricing method for the estimated values was based on:

- (i) arm's length basis and on normal commercial terms and on terms not more favorable to the related party(ies) than those generally available to the public and are not detrimental to the minority shareholders of the Company. Due consideration based on prevailing market rates under usual commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms was given to price, payment, quality, delivery and service in order to maximise benefits for any purchase under the transactions.
- (ii) competitive commercial terms based on quotations from other sources of supply of the products/services required by the Group. Reference shall also be made to published market reports, if available, pertaining to transactions of similar products concluded in other markets.

The estimated value in respect of each transaction referred to above is based on accounting records which in turn are based on prevailing prices obtained from the related parties which are reasonably market-competitive prices and based on the expected level of transactions to be entered into by the Group. The estimated amounts are further based on the assumptions that current level of operations will continue and all external conditions remain constant.

At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of produces/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), management will ensure the RRPT(s) will only be entered with the Related Parties after taking into account the pricing, level of services, quality of products and other related factors to ensure that the RRPT is not detrimental to Mycron Group.

#### **5.0 REVIEW PROCEDURES FOR THE RRPT(S)**

Mycron has established the following procedures and guidelines to ensure that the RRPT(s) are undertaken on an arm's length basis and on normal commercial terms, consistent with Mycron's usual business practices and policies, which are not more favourable to the Related Parties than those normally available to the public and are not to the detriment of the minority shareholders:

- (i) A list of Related Party(ies) will be circulated to the Audit and Governance Committee to notify that all RRPT(s) are required to be undertaken on an arm's length basis and on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders;
- (ii) Records of RRPT(s) will be retained and compiled for review by the Audit and Governance Committee;
- (iii) The Audit and Governance Committee shall review all aspects of the RRPT(s) where the consideration, value of the assets, capital outlay or costs thereof, equal or exceed RM1,000,000 and ensure that they are conducted at arm's length basis. Any member of the Audit and Governance Committee may, as he/she deems fit, request for additional information pertaining to the RRPT(s) including appointing an independent adviser/expert as they deem appropriate;
- (iv) Disclosure on all material RRPT(s) will be made in the Annual Report of the Company;

- (v) The RRPT(s) will be conducted at arm's length and based on normal commercial terms consistent with the Group's usual business policies and practices (subject to applicable rules and regulations) and will not be prejudicial to the minority shareholders;
- (vi) The interested directors who are members of the Board and Audit and Governance Committee will abstain from deliberating and voting on all matters pertaining to the Recurrent Related Party Transactions at the relevant meetings of the Board or Audit and Governance Committee;
- (vii) 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 which are determined in accordance to the Group's business practices and policies, such as calling for tenders, quotations, so as to ensure that the prices and terms and conditions are based on competitive prices of similar products and services in line with industry norms; and
- (viii) The Audit and Governance Committee monitors on quarterly basis actual transacted values of RRPT(s) under the Proposed Renewal of Shareholders' Mandate to ensure that the Company makes an announcement to Bursa Securities if the actual value exceeds 10% or more of the estimated value disclosed in the Circular for a particular group of Related Parties.

The following are commercial considerations which the Mycron Group takes into account before entering into transactions for the sale/supply of goods and provision of services to a purchaser, in the ordinary course of business:-

- The ability and track record of the purchaser to pay for the goods supplied or services provided; and
- Whether past experience and working relationship with the purchaser has been satisfactory.

The following are commercial considerations which Mycron Group takes into account before entering into transactions for the receipt of goods or services from a vendor/service provider, in the ordinary course of business:-

- Mycron Group's pricing for the goods to be provided or supplied and/or received or purchased is negotiated between the Mycron Group and Related Party based on the prevailing market prices as agreed with unrelated third parties;
- The terms are not more favourable to the Related Party than those extended to unrelated third parties and available to the public and the Recurrent Related Party Transactions are not detrimental to minority shareholders;
- The transactions are entered into after taking into account factors such as pricing, quality, delivery schedules and, where applicable, preferential rates, rebates or discount accorded for bulk purchases, the terms offered are fair and reasonable and in Mycron Group's commercial interests;
- The competitiveness in pricing;
- The standard and quality of the goods/services and whether it meets the requirements of Mycron Group;
- The responsiveness and level of service provided by the goods or service providers and whether past experience and working relationship has been satisfactory; and
- The track record and competence of the goods or service provider and whether the goods or service provider has sufficient resources to perform its obligations.

Mycron Group would only enter into transactions with the relevant parties based on the above criteria, regardless of whether or not the party is related.

## **6.0 THRESHOLD OF AUTHORITY**

There are no specific threshold for approval of RRPT(s) within Mycron Group. However, all RRPT(s) are subject to the approval of the Board. Where any Director has an interest (direct or indirect) in any RRPT(s), such Director shall abstain from deliberation and voting on the matter. If it is determined that the guidelines and/or procedures stated in Section 5.0 of Part A of this Circular, are inadequate to ensure that :

- (i) RRPT(s) will be conducted at arms' length and on normal commercial terms which are not more favorable to the Related Party(ies) than those generally available to the public; and
- (ii) such transactions are not to the detriment of the minority shareholders of the Company or prejudicial to the interests of the shareholders,

the Company will obtain a fresh shareholders' mandate.

## **7.0 STATEMENT BY THE AUDIT AND GOVERNANCE COMMITTEE**

The Audit and Governance Committee has seen and reviewed the procedures. The Audit and Governance Committee is of the view that the procedures in Section 5.0 of Part A of this Circular are sufficient to ensure that RRPT(s) of a revenue or trading nature as set out in Sections 3.3(A) and 3.3(B) of this Circular are not more favorable to related parties than those generally available to the public and are not to the detriment of the minority shareholders.

The Audit and Governance Committee is also of the view that the Mycron Group has in place adequate procedures and processes to monitor, track and identify RRPT(s) in a timely and orderly manner and if necessary, the Audit and Governance Committee may request internal audit to review the systems and procedures.

## **8.0 RATIONALE FOR AND BENEFITS TO THE GROUP**

The rationale for and benefits of the Proposed Renewal of Shareholders' Mandate to Mycron Group are as follows:

- (a) the Proposed Renewal of Shareholders' Mandate will empower the Group to enter into transactions with related parties which are necessary in day-to-day operations of the Group, undertaken at arm's length, normal commercial terms, on terms not more favorable to the related party than those generally made available to the public and are not detrimental to the minority shareholders;
- (b) the Proposed Renewal of Shareholders' Mandate will substantially reduce the expenses associated with convening of general meetings on an ad hoc basis and hence will reduce the expenses associated therewith;
- (c) the RRPT(s) entered into by the Group are intended to meet business needs at the best possible terms and it also enhances the ability to explore beneficial business opportunities and to promote cross-selling within the Mycron Group which will be of benefit to all the companies within the Mycron Group; and
- (d) In addition to the above benefits, the Related Parties had also proven to be reliable in its delivery of services and products as well as fulfilling the quality expectations of the Mycron Group. Due to previous business dealings with the Related Parties, the Related Parties are familiar with the Group's operations and are able to meet the Group's business requirements even when short notice is given. This has allowed the Group to benefit from sudden business opportunities that had arisen.

## **9.0 EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

### **9.1 Share Capital**

The Proposed Renewal of Shareholders' Mandate will not have any effect on the issued share capital and shareholding structure of Mycron.

### **9.2 NA and Working Capital**

The Proposed Renewal of Shareholders' Mandate will not have any effect on the NA and working capital of Mycron.

### **9.3 Earnings**

The Proposed Renewal of Shareholders' Mandate will not have any effect on the earnings of Mycron.

## **10.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST**

Save and except for the following, none of the Directors, Major Shareholders and/or persons connected to them as defined in the Listing Requirements has any interest either directly or indirectly in the Proposed Renewal of Shareholders' Mandate :-

- (a) TY is a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG, a Major Shareholder of Mycron.
- (b) MIG, MEBVI, MKSB and KLB collectively are the Major Shareholders of Mycron.

The details of the direct and indirect shareholdings of the interested Directors and Major Shareholders are reflected in the tables on Pages 7 to 8 of this Circular.

Accordingly, TY and TK are deemed interested in the RRPT(s) entered into and to be entered into between Mycron Group with the Related Parties by virtue of his/their interest in these companies as disclosed in Sections 3.3(A) and 3.3(B) of Part A of this Circular.

TY and TK have abstained on the respective RRPT(s) and will continue to abstain from deliberation and voting at Board meetings of Mycron on the Proposed Renewal of Shareholders' Mandate.

TY, MIG, MEBVI, MKSB and KLB are Related Parties whereas TY and TK are related parties in respect of the RRPT(s) with Trace and will abstain from voting at the forthcoming AGM in respect of their direct and/or indirect shareholdings on the Ordinary Resolution 8 under Special Business as given in the Notice of 16<sup>th</sup> AGM enclosed in the Annual Report 2019 of the Company for the financial year ended 30 June 2019.

Further, TY, MIG, MEBVI, MKSB and KLB as well as TK have undertaken that they will ensure that the persons connected to them will abstain from voting on the same at the forthcoming AGM.

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

**PART B**

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

## **1.0 INTRODUCTION**

Consequential to the Act which came into effect on 31 January 2017 the Board undertook a review of the M&A of the Company and proposes to alter and amend the existing M&A in its entirety and adopt the amended M&A as the new Constitution of the Company which the full text is as laid out in Appendix 1.

## **2.0 RATIONALE FOR THE PROPOSED ADOPTION OF NEW CONSTITUTION**

The purpose of the Proposed Adoption of New Constitution is to ensure that the Company's M&A is in line with the Act and to be in compliance with the Listing Requirements and other prevailing statutory and regulatory requirements.

## **3.0 EFFECT OF THE PROPOSED ADOPTION OF NEW CONSTITUTION**

The Proposed Adoption will not have any effect on the issued share capital, net assets, earning, gearing and substantial shareholders' shareholdings of the Company.

## **4.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST**

None of the other Directors and/or Major Shareholders of Mycron and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Adoption.

**(II) DIRECTORS' RECOMMENDATION**

**(a) On Proposed Renewal of Shareholders' Mandate**

The Board (save and except for TY and TK who are deemed to be interested in the Proposed Renewal of Shareholders' Mandate), having considered all aspects of the Proposed Renewal of Shareholders' Mandate, are of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of the Company and its shareholders. Accordingly, the Board (save and except for TY and TK who are deemed to be interested in the Proposed Renewal of Shareholders' Mandate) recommend that you vote in favour of the resolution pertaining to the Proposed Renewal of Shareholders' Mandate contained herein to be tabled at the forthcoming AGM.

**(b) On Proposed Adoption of New Constitution**

Similarly, the 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. Accordingly, the Directors recommend that you vote in favour of the resolution pertaining to the Proposed Adoption of the New Constitution to be tabled at the forthcoming AGM.

**(III) APPROVAL REQUIRED**

The said Proposals are subject to the approval of the shareholders at the forthcoming 16<sup>th</sup> AGM to be convened on 29 November 2019.

**(IV) ANNUAL GENERAL MEETING**

The 16<sup>th</sup> AGM, the notice of which is enclosed together with the Annual Report for the financial year ended 30 June 2019 will be held at the Crystal Function Room, 4th Floor, Mutiara Complex, 3½ Miles, Jalan Ipoh, 51200 Kuala Lumpur on Friday, 29 November 2019 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the Ordinary/Special Resolutions as set out in the notice.

If you are unable to attend and vote in person at the 16<sup>th</sup> AGM, you are requested to complete and return the Form of Proxy enclosed together with the said Annual Report in accordance with the instructions therein as soon as possible so as to arrive not less than 48 hours before the time set for the 16<sup>th</sup> AGM or any adjournment thereof. The completion and the return of the Form of Proxy does not preclude you from attending and voting in person at the 16<sup>th</sup> AGM should you subsequently wish to do so, but if you do, your proxy shall be precluded from attending the 16<sup>th</sup> AGM.

Please be informed that where all the shares have been sold or transferred by the addressee, the Circular and any other relevant document should be passed to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Should there be any doubt as to what action to take, kindly consult appropriate independent professional advisers.

**(V) FURTHER INFORMATION**

Shareholders are advised to refer to Appendix 2 attached for further information.

Yours faithfully,  
For and on behalf of the Board of  
**MYCRON STEEL BERHAD**

**SHAZAL YUSUF BIN MOHAMED ZAIN**  
Senior Independent Non-Executive Director

Full text of the Proposed **New Constitution of Mycron Steel Berhad** as stated below:-

(Reg. No. 200301020399 (622819-D))

**THE COMPANIES ACT 2016**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**CONSTITUTION**

**OF**

**MYCRON STEEL BERHAD**

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1. The name of the Company is **MYCRON STEEL BERHAD**
2. The Registered Office of the Company will be situated in Malaysia.
3. The liability of the members is limited.

**DEFINITIONS AND INTERPRETATION**

4. Interpretation clause

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

"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;

"Authorised Nominee" shall have the meaning ascribed thereto in the Central Depositories Act.

"Beneficial Owner" shall have the meaning ascribed thereto in the Central Depositories Act.

"Board" means the Board of Directors for the time being of the Company.

"Depository" means the Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W) and/or its nominee.

"Central Depositories Act" means the Securities Industry (Central Depositories) Act 1991 and any statutory modification, amendment or re-enactment thereof and any and every other legislation made thereunder for the time being in force.

"Chief Executive" means the chief executive of the Company (as defined in accordance with the Listing Requirements).

"Company" means Mycron Steel Berhad.

"Constitution" means this Constitution as originally framed or as altered from time to time by Special Resolution.

"Deposited Security" means a security, as defined in Section 2 of the Central Depositories Act, in the Company standing to the credit of a Securities Account and includes security in a Securities Account that is in suspense.

"Depositor" means a holder of a Securities Account.

"Directors" mean the Directors for the time being of the Company.

"Exchange" means Bursa Malaysia Securities Berhad (Company No. 635998-W)

"Exempt Authorised Nominee" means an Authorised Nominee which is exempted from compliance with the provisions of subsection 25A(1) of Central Depositories Act.

"Listing Requirements" means the Main Market Listing Requirements of the Exchange, including any modifications or amendments to the Listing Requirements that may be made from time to time.

"Market Day" means a day on which the Exchange is open for trading in securities.

"Member" or "holder of shares" or any like expression means any person for the time being holding shares in the Company and whose name appears in the Register including Depositors, who may be Authorised Nominees, whose names appear on the Record of Depositors except the Depository or their nominees in their capacity as bare trustees.

"Office" means the registered office for the time being of the Company.

"Omnibus Account" means the Securities Account in which ordinary shares of the Company are held for multiple beneficial owners and includes a Securities Account maintained by an Exempt Authorised Nominee.

"Ordinary Resolution" means a resolution which has been passed by a simple majority of more than half of such members who are entitled to vote and do vote in person, or where proxies are allowed, by proxy;

"Record of Depositors" means the record provided by the Depository to the Company or its Principal Registrar or its issuing house under Chapter 24.0 of the Rules.

"Register" means the Register of Members to be kept pursuant to the Act.

"Relevant Regulations" means all relevant rules, regulations, guidelines, directives, practice notes, guidance notes passed or issued by any relevant authority for the time being in force applying to or affecting the Company and/or this Constitution which shall include where applicable, the Act, the Central Depositories Act, the Listing Requirements, the Rules and the legislation, rules, regulations, guidelines, directives, practice notes, guidance notes and other requirements of such Exchange in respect of which the securities of the Company are listed or traded, as the case may be.

"Rules" means the Rules of the Depository as defined under the Central Depositories Act and any modification or amendment thereto for the time being in force.

"Seal" means the Common Seal of the Company.

"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.

"Securities Account" means an account established by the Depository for a Depositor for the recording of deposit of securities and for dealings in such securities by the Depositor as permitted under the Central Depositories Act and/or the Rules.

"Securities" means securities as defined in Section 2(1) of the Capital Markets and Services Act 2007 or any modification, amendment or re-enactment thereof for the time being in force.

"Shares" means shares in the Company.

"Special Resolution" means a resolution of which a notice of not less than twenty-one (21) days has been given and which has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person, or where proxies are allowed, by proxy.

"Year" means Calendar Year.

Reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced.

Reference to "writing" shall, unless the contrary intention appears, be construed as including references to printing, typewriting, lithography, photography, electronic storage or transmission and other modes of reading information or representing or reproducing words in a visible form;

Words including the singular only shall include the plural and the masculine gender shall include the feminine and neuter genders and the word "person" shall include a corporation.

Subject as aforesaid, words or expressions contained in this Constitution shall be interpreted in accordance with the provisions of the Interpretation Acts, 1948 and 1967, as amended from time to time and any re-enactment thereof.

The headings are inserted for convenience only and shall not affect the construction of these Articles.

Reference to "Article" means the relevant provision of this Constitution as originally framed or as from time to time altered by special resolution.

Reference to "transfer" in relation to shares shall include a transfer of shares pursuant to the Rules.

## **BUSINESS**

5. **Board may carry on business**

Any branch or kind of business by which the Constitution of the Company is either expressly or by implication authorised to undertake may be undertaken by the Board at such times or times as they think fit, and further, may be held in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

6. **Location of Office**

The Office shall be at such place in Malaysia, as the Board shall from time to time determine.

## SHARES

### 7. Issue of Shares

- (1) Subject to the Act, the Central Depositories Act, the Rules, the Relevant Regulations and the conditions, restrictions and limitations expressed in this Constitution, the Directors may issue shares, allot, grant options over or otherwise dispose of the unissued share capital of the Company to such persons, at such time and on such terms as they think proper, PROVIDED ALWAYS THAT –
  - (a) no special rights shall be attached to shares of a class other than ordinary shares, except those that have been expressed in this Constitution;
  - (b) where necessary under the Act, the Listing Requirements and other Relevant Regulations, prior approval of the members of the Company shall be obtained in a general meeting for the issuance of shares;
  - (c) subject to Article 7(2) and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, no shares or convertible securities shall be issued if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding 12 months, exceeds 10% of the total number of the issued shares (excluding treasury shares) of the Company, except where the shares or convertible securities are issued with the prior approval of the members in general meeting of the precise terms and conditions of the issue; and
  - (d) all scheme involving issue of shares or options to employees and/or Directors shall be approved by the members in general meeting and in relation to a Director such approval shall specifically detail the amount of shares or options to be issued to such employees and/or Director.
- (2) Except in the case of an issue of securities on a pro rata basis to members and other exceptions prescribed under the Listing Requirements, there shall be no issue of shares or other convertible securities to a Director, major shareholder, Chief Executive or person connected with any Director, major shareholder or Chief Executive (hereinafter referred to as "the interested Director", "interested major shareholder", "interested Chief Executive" or "interested person connected with a Director, major shareholder or Chief Executive" respectively) unless members in general meeting have approved of the specific allotment to be made to such aforesaid persons.
- (3) In a meeting to obtain members' approval in respect of the allotment referred to under Article 7(2) above:-
  - (a) the interested Director, interested major shareholder, interested Chief Executive or interested person connected with a Director, major shareholder or Chief Executive; and
  - (b) where the allotment is in favour of an interested person connected with a Director, major shareholder or Chief Executive,

must not vote on the resolution approving the said allotment. An interested Director, interested major shareholder or interested Chief Executive must ensure that persons connected with him abstain from voting on the resolution approving the said allotment.

- (4) The notice of the meeting referred to in Article 7(2) shall state:-
- (a) the number of securities to be allotted;
  - (b) the purpose of allotment;
  - (c) the precise terms and conditions of the allotment; and
  - (d) the identity and relationship of the persons connected with the Director, major shareholder or Chief Executive, where applicable.
- (5) In this Article, “major shareholder”, “Chief Executive” and “person connected with any Director, major shareholder or Chief Executive” shall have the meaning ascribed thereto in the Listing Requirements.

8. Crediting of Securities Account

The Company must ensure that all new issues of securities for which listing is sought on the Exchange are made by way of crediting the Securities Accounts of the allottees with such securities unless otherwise required by the Relevant Regulations or unless the Exchange permits the holding of physical scrips or save and except where it is specifically exempted from compliance with Section 38 of the Central Depositories Act, in which event it shall so similarly be exempted from compliance with this Article. For this purpose, the Company must notify the Depository of the names of the allottees and all such particulars required by the Depository, to enable the Depository to make the appropriate entries in the Securities Accounts of such allottees. The Company shall obtain an auditors' certificate that the issue of new securities is in accordance with this Article.

9. Allotment and Despatch of Notices of Allotment

Subject to the Act, the Central Depositories Act, the Rules, the Relevant Regulations and Article 10, the Company shall issue, allot securities and despatch notices of allotment to the allottees, and make an application for quotation of such securities on the relevant Exchange:-

- (1) within eight (8) Market Days of the final application date for a public issue; or
- (2) within eight (8) Market Days after the final application closing date for a rights issue; or
- (3) within eight (8) Market Days of the book closing date for a bonus issue; or
- (4) within eight (8) Market Days after the receipt of a notice of the exercise of an option pursuant to a share scheme for employees together with the requisite payment for the subscription of shares under the option; or
- (5) within eight (8) Market Days after the date of receipt of a subscription form together with the requisite payment for conversion or exercise in respect of convertible securities; or
- (6) such other period as may be prescribed under the Listing Requirements or by the relevant Exchange from time to time.

10. Allotment or Issue of Securities

The Company must not allot or issue securities or cause or authorise its registrars to cause the Securities Accounts of the allottees to be credited with the additional securities until after it has filed with the relevant Exchange an application for listing of such additional securities and been notified by the relevant Exchange that such new issue of securities has been approved in principle for listing.

11. Issue of Classes of Shares

- (1) Subject to the Act and the Relevant Regulations, and without prejudice to any special rights previously conferred on the holders of any share or class of shares already issued, any shares in the Company (whether forming part of the original capital or not) may be issued or have attached thereto such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution passed at a general meeting determine.
- (2) Subject to the Act, any preference shares may be issued on the terms that they are, or at the option of the Company be liable to be redeemed.

12. Restriction on Use of Company Funds

Unless otherwise provided in the Act, the Company shall not give any financial assistance whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company, or give any financial assistance directly or indirectly for the purpose of reducing or discharging the liability if a person has acquired shares in the Company and the liability has been incurred by any person for the purpose of the acquisition of the shares Nothing in this Article shall prohibit transactions mentioned in Section 125 of the Act or the purchase by the Company of its own shares pursuant to Article 13 and Section 127 of the Act.

13. Purchase of Own Shares

- (1) Subject and in accordance with the provisions of the Act and any regulations made thereunder and to any rights previously conferred on the holders of any class of shares and to any requirements imposed by the relevant Exchange in respect of securities admitted to listing, and any rules or guidelines of any relevant authorities (whether having the force of law or not) issued from time to time whether by way of amendment, modification or variation or in replacement thereof (other than any such of the rules and guidelines compliance with which by the Company is waived by the relevant authority), the Company may by ordinary resolution passed at a general meeting purchase or enter into a contract under which it will or may purchase any of its shares of any class, including any redeemable shares.
- (2) Neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares.

14. Commission and brokerage

The Company may apply its shares or cash, either directly or indirectly, in paying commissions to persons for the purpose of subscribing or agreeing to subscribe or procuring or agreeing to procure shares of the Company under the circumstances as permitted by the Act provided that the percentage or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and shall not exceed 10% of the price at which the shares in respect whereof the commission is paid are issued or an amount equivalent thereto. For the purpose of this Article, commission includes brokerage save and except that the 10% maximum rate shall not apply.

15. Interest on Capital

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

16. Allotment of Shares

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

17. Trusts not to be recognised

Except only as otherwise expressly provided by this Constitution or as required by law or as provided under the Central Depositories Act, the Rules and the Relevant Regulations, or pursuant to any order by court, no person (other than Bursa Malaysia Depository Nominees Sdn. Bhd) shall be recognised by the Company as holding any share upon any trust and the Company shall not, even when having notice thereof, be bound or compelled to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or any other right in respect of any share except an absolute right to the entirety thereof in the person registered as the holder of the share.

18. Shares to be offered to members before issue

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

19. Rights of members

No person shall exercise any rights of a member until his name shall have been entered in the Register or his name appears in the Record of Depositors and he shall have paid all calls and other moneys for the time being due and payable on any share held by him whether alone or jointly with any other person PROVIDED THAT the Depository or its nominee company in whose name the Deposited Security is registered shall not be entitled to any such rights unless required by virtue of the Central Depositories Act, the Rules, the Relevant Regulations or the context of this Constitution.

20. Payment of allotment

If, by the condition of allotment of any share, the whole or part of the amount or issue price thereof shall be payable on fixed dates every such amount shall, when due, be paid to the Company by the person who for the time being and from time to time shall be registered as the holder of the share whether in the Register or the Record of Depositors, or his legal personal representatives.

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

### 21. Disposal of shares of members whose whereabouts are unknown

- (1) Subject to the provisions of the Act, Central Depositories Act and the Rules, where by the exercise of reasonable diligence the Company is unable to discover the whereabouts of a member for a period of not less than ten (10) years, the Company may cause an advertisement to be published in a newspaper circulating in the place shown in the Register or the Record of Depositors as the address of the member stating that the Company after expiration of thirty (30) days from the date of the advertisement intends to transfer the shares to the Minister charged with responsibility for finance.
- (2) If after the expiration of thirty (30) days from the date of the advertisement the whereabouts of the member 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 the purpose may execute for and on behalf of the member a transfer of those shares to the Minister charged with responsibility for finance.

## **CERTIFICATES**

### 22. Share Certificates

The Company may issue jumbo certificates in respect of shares or securities in favour of Bursa Depository as may be directed by the Securities Commission or Bursa Depository pending the crediting of shares or securities into the securities account of the person entitled to such shares or securities or as may be prescribed by the Central Depositories Act and the Rules of Bursa Depository PROVIDED ALWAYS that every certificate shall be issued under the Seal of the Company 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.

## **ALTERATION ON RIGHTS**

### 23. Class rights may be modified

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

### 24. Rights on creation or issue of further shares

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

## CALLS ON SHARES

25. Directors may make calls

The Directors may from time to time make such calls upon the members as the Directors may think fit in respect of any money unpaid on their shares, and not by the conditions of allotment of shares made payable at fixed date. Except in the case of calls payable at fixed times pursuant to the conditions of allotment, each member shall be entitled to receive at least fourteen (14) days' notice specifying the time or times and place of payment.

26. How calls may be made

Any call may be made payable either in one sum or by installments, and each member upon whom a call is made is liable to pay the amount of the call to the Company and at the time or times and place appointed by the Directors. A call may be revoked or the time for its payment may be postponed by the Directors.

27. When a call is deemed made

A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed and such resolution may authorize the call to be paid by instalments.

28. Directors may differentiate between holders

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

29. Payment on allotment treated as call

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

30. Interest on calls in arrears

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

31. Payment on calls in advance

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

## FORFEITURE OF SHARES

32. Notice to pay calls

If any member fails to pay any call or any instalment of any call on the day appointed for the payment thereof, the Directors may at any time thereafter during such time as the call or any part thereof remains unpaid, serve a notice on him requiring him to pay the amount unpaid, together with any interest at such rate not exceeding 8% per annum or at such rate as the Directors shall determine, and any expenses which may have accrued by reason of such non-payment.

33. Form of notice

The notice shall specify a day 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 specified date the shares in respect of which such call was made will be liable to be forfeited.

34. Failure to comply with notice

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

35. Forfeited share becomes property of Company

A share so forfeited shall become the property of the Company and may be re-sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture thereof or entitled thereto, or to any other person upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Directors think fit and whether with or without all or any part of the amount previously paid on the share being cancelled as paid.

36. Liability on forfeiture

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 were payable by him to the Company in respect of the shares (together with interest at the rate of eight percent (8%) per annum from the date of forfeiture on the money for the time being unpaid if the Directors think it fit to enforce payment of such interest) but his liability shall cease if and when the Company receives payment in full of all such moneys in respect of the shares.

37. Result of forfeiture

The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the person whose share is forfeited and the Company, except only such of those rights and liabilities as are by this Constitution expressly saved, or as are by the Act given or imposed in the case of past members.

38. Evidence of forfeiture and transfer of forfeited shares

A statutory declaration in writing by a Director or the Secretary of the Company, that a share in the Company has been duly forfeited or sold to satisfy a lien on a date in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the forfeited share on any sale or disposition thereof and the Directors may authorise some person to execute a

transfer of the share in favour of the person to whom the share is sold or otherwise disposed of and he shall thereupon be registered as the registered holder of the share, and shall not be bound to see to the application of the purchase monies, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or other disposal of the share.

In order to give effect to any such sale or disposal the Directors may authorise any person to transfer the (forfeited) shares sold or disposed of to the purchaser.

39. Application of forfeiture provisions

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

40. Notice of forfeiture

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

41. Proceeds of sale of forfeited share

In the event of any forfeited share on which the Company has a lien being sold or disposed of, the net proceeds of such sale or disposal after providing for the expenses of such sale or disposal and for the payment of any moneys including interest owing to the Company in respect of which the lien exists shall be paid to the person whose share has been forfeited or his executors, administrators or assignees as the case may be or as he or she shall direct.

## LIEN

42. Company's lien on shares and dividends

The Company shall be entitled to a lien, in priority to any claim, over a partly paid issued share; and any divided payment on the share, for all money due by the member to the Company by way of money called or payable at a fixed date; provided however that the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on shares and dividends from time to time declared in respect of such shares, if any, shall be restricted to unpaid calls and installments upon the specific shares in respect of which such moneys are due and unpaid and to such amounts 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.

43. Power to enforce lien by sale

The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable and until the expiration of fourteen (14) days after notice in writing, stating and demanding payment of such part of the amount in respect of which the privilege or lien exists as is presently payable, has been given to the registered holder of the share for the time being, or the person entitled the share by reason of the death or bankruptcy of the registered holder. In order to give effect to any such sale the Directors may authorise any person to transfer the shares sold to the purchaser.

44. Application of proceeds of sale

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

45. Power to transfer shares

To give effect to any such sale as aforesaid, the Directors may authorize a person to transfer the shares sold to the purchaser. The purchaser shall be registered as the holder of the shares and the Directors shall not be bound to see the application of the purchase money. The title of the purchaser to the share sold shall not be affected by any irregularity or invalidity in the proceedings or procedure relating to the sale.

46. Imposition of liability by law

Whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future or possible liability upon the Company to make any payment or empowers any government or taxing authority or government official to require the Company to make any payment in respect of any shares registered in the Register as held either jointly or solely by any member or in respect of any dividends, bonuses or other moneys due or payable or accruing due or which may become due or payable to such member by the Company or in respect of any shares registered as aforesaid or for or on account or in respect of any member and whether in consequence of:

- (a) the death of such member;
- (b) the non-payment of any income tax or other tax by such member;
- (c) any other act or thing;

the Company in every such case:

- (i) shall be fully indemnified by such member or his executor or administrator from all liability;
- (ii) shall have a lien upon all dividends, bonuses and other moneys payable in respect of the shares registered in the Register and/or the Record of Depositors as held either jointly or solely by such member for all moneys paid or payable by the Company in respect of the same shares or in respect of any dividend, bonus or other moneys as aforesaid thereon or for or on account or in respect of such member under or in consequence of any such law together with interest at the rate of eight percent (8%) per annum thereon from date of payment to date of repayment and may deduct or set off against any such dividend, bonus or other money payable as aforesaid any moneys paid or payable by the Company as aforesaid together with interest as aforesaid;
- (iii) may recover as a debt due from such member or his executor or administrator wherever constituted any moneys paid by the Company under or in consequence of any such law and interest thereon at the rate and for the period aforesaid in excess of any dividend, bonus or other money as aforesaid then due or payable by the Company to such member.

47. Dividend or vote

No member shall be entitled to receive any dividend or to exercise any privileges as a member until he has paid all calls for the time being due and payable on every share held by him, together with interest and expenses (if any).

**TRANSFER OF SHARES, REGISTERS AND RECORD OF DEPOSITORS**

48. Transfer of Securities

- (1) The transfer of any Deposited Security in the Company shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding sections 105, 106 and 110 of the Act, but subject to subsection 148(2) of the Act and any exemption that may be made from compliance with subsection 148 (1) of the Act, the Company shall be precluded from registering and effecting any transfer of such Deposited Security.
- (2) The Depository may refuse to register any transfer of the Deposited Security if it does not comply with the Rules or the Central Depositories Act.

49. Obligation to keep register not affected

Nothing in this Constitution shall be construed as affecting the obligation of the Company to keep a Register under Section 50 of the Act and a register of option holders under Section 129 of the Act and to open them for inspection in accordance with the provisions of the Act except that the Company shall not be obliged to enter in such registers the names and particulars of Depositors who are deemed to be members or option holders.

50. Restriction of transfer

Subject to this Constitution, the Rules and the Central Depositories Act, and requirements of other laws, there shall be no restriction on the transfer of any fully paid up Deposited Security in the Company.

51. Suspension of registration of transfers

The registration of transfers (including transfers of beneficial ownership of any Deposited Security held through an Omnibus Account) may be suspended at such time and for such period as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year or such number of days as may be prescribed by the Exchange.

52. Record of Depositors by Depository considered final

A Record of Depositors requested by the Company as at any specified date and/or for any specified purpose when made available to the Company may be treated as the final Record of Depositors as at the specified date and/or for the specified purpose. If there shall be more than one Record of Depositors made available to the Company as at the specified date and/or for the specified purpose then the later or last of the Record of Depositors prepared by the Depository shall be the final Record of Depositors as at the specified date and/or for the specified purpose.

53. Limitation of liability

Neither the Company or the Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to, the Company or the Directors or other officers, be legally inoperative or insufficient to pass the property in the securities proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside.

And in every such case, the person registered as transferee subject to compliance with the Act, the Central Depositories Act and the CD Rules, shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

### **TRANSMISSION OF SHARES**

54. Death of member

In the case of death of a member, the legal personal representatives of the deceased, shall be the only person recognized 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 any share which had been held by him.

55. Rights on death or bankruptcy

Any person becoming entitled to shares in consequence of the death or bankruptcy of any member by operation of law may upon such evidence of title being produced elect either to be registered himself as a member in respect of such shares or to have some person nominated by him registered as transferee thereof Provided Always that such transfer of the share may be carried out by the person becoming so entitled, subject to the Central Depositories Act and the Rules and the Relevant Regulations.

56. Election of person entitled to shares

Subject to the Act, the Central Depositories Act, the Rules and the Relevant Regulations, the person to whom the right to shares are transmitted by operation of law may elect:

- (1) to be registered himself/herself, he/she shall deliver or send to the Depository a notice in writing signed by him/her stating that he/she so elects;
- (2) to have another person registered, he/ she shall testify his/her election by executing to that person a transfer of the share.

All the limitations, restrictions and provisions of this Constitution, the Act, the Central Depositories Act and the Rules and the Relevant Regulations relating to the right 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 of transfer were a transfer signed by that member.

57. Rights on death or bankruptcy

The registration of a transmission of shares in compliance with the Act, the Central Depositories Act, the Rules and the Relevant Regulations, shall entitle the registered holder of shares to the same dividends and other advantages and to the same rights in relation to meetings of the company or to voting or otherwise.

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

58. Company may convert shares into stock

The Company may by ordinary resolution convert any paid up shares into stock, and reconvert any stock into paid up shares of any number.

59. Stockholders may transfer their interest

The stockholders may transfer the same or any part thereof in the same manner as the transfer of shares from which the stock arose may, before the conversion have been transferred or be transferred in the closest manner as circumstances allow; provided however that the Directors may from time to time, if they think fit, fix the minimum amount of stock transferable, and may restrict or forbid the transfer of fractions of that minimum.

60. Participation in dividends and profits

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

61. Application of provisions

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

### **INCREASE OF CAPITAL**

62. Power to increase capital

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

63. New capital to be considered as part of present share capital

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

### **ALTERATION OF CAPITAL**

64. Consolidation sub-division and cancellation

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

- (1) 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; and/or
- (2) sub-divide its shares or any of the shares, whatever is in the subdivision 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 shares from which the subdivided share is derived.

65. Alteration in accordance with conditions and terms

Anything done in pursuance of Article 64 shall be done in the manner provided and subject to any conditions imposed by the Act so far as they shall be applicable, and so far as they are not applicable, in accordance with the terms of the resolution authorising the same, and so far as such resolution shall not be applicable, in such manner as the Directors deem most expedient.

66. Power to reduce capital

The Company may by special resolution reduce its share capital in accordance with the manner authorized by the Act and subject to the requirements of the Relevant Regulations.

### **INFORMATION ON SHAREHOLDING**

67. Notice to require information on shareholding

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

### **GENERAL MEETINGS**

68. Annual General Meeting

The Company shall hold an annual general meeting in every calendar year in addition to any other meetings in that year, which shall be held 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, unless such period is extended in accordance with the Act.

69. Extraordinary General Meeting

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

70. Form of notice

All general meetings shall be held at such time, day and place as the Directors shall determine. Every notice of an annual general meeting shall be issued in accordance with the Act, the Listing Requirements and other Relevant Regulations and shall state the place, date and time of the meeting and the general nature of the business of the meeting. The notice of every meeting convened for passing a special resolution shall include the text of the resolution and state that the resolution is proposed as a special resolution.

71. Convening of Extraordinary General Meeting

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

72. Notices of meetings

- (1) An annual general meeting shall be called by notice of at least twenty one (21) days and an extraordinary general meeting called for the passing of a special resolution shall be called by not less than twenty one (21) days' notice in writing. In respect of all other extraordinary general meetings, at least fourteen (14) days' notice before the meetings shall be given.
- (2) The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of the meeting and, in the case of special business shall also specify the general nature of that business and shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business.
- (3) In accordance with the Listing Requirements, notice of every such meeting shall also be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.
- (4) Notices of meetings shall be given to all members (other than those who under the provisions of this Constitution or the terms of issue of the shares held by them are not entitled to receive notices of general meetings of the Company), to the auditors for the time being of the Company and the Directors. Provided that in respect of the Deposited Securities (including Deposited Securities standing to the credit of an Omnibus Account):-
  - (a) the Company shall request the Depository in accordance with the Rules, to issue a Record of Depositors to whom notices of general meetings or adjourned general meetings shall be given by the Company. Subject to Article 52, the Record of Depositors requested under this Article when made available to the Company shall be treated as the final record of all Depositors who shall be deemed to be the registered holders of shares of the Company entitled to receive notice of the general meeting or adjourned general meeting;

- (b) the General Meeting Record of Depositors shall be as at the latest date which is reasonably practicable which shall in any event be not less than three (3) Market Days (or such other period specified by the Act, the Central Depositories Act, the Rules, the Relevant Regulations and/or the Depository) before the general meeting or adjourned general meeting(s) or adjourned general meeting; and
- (c) subject to Article 52, the 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 or adjourned general meeting and to speak and vote thereat by a person or proxy unless his/her name appears in the General Meeting Record of Depositors for the purposes of such general meeting or adjourned general meeting.

73. Business at meetings

Subject always to the provisions of Section 323 of the Act, no business shall be transacted at an extraordinary general meeting except business of which notice has been given in the notice convening the meeting and no business shall be transacted at an annual general meeting, other than business of which notice has been given as aforesaid, with the exception of declaring a dividend, the consideration of the audited financial statements, and the reports of the Directors and auditors, the election and remuneration of Directors, and the appointment of and fixing of the remuneration of the auditors.

74. Entitlement to appoint proxy

A member is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend and to speak and vote at a meeting of the Company. A member may appoint more than one proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy. In every notice calling a meeting of the Company, there shall appear prominently a statement informing the member of such rights.

75. Accidental omission to give notice

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

76. Meeting deemed duly called

A meeting shall, notwithstanding that it is called by notice shorter than is required by Article 73 and subject to the Act be deemed to be duly called if it is so agreed:-

- (1) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; or
- (2) in the case of any other meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority which together holds not less than ninety five per cent (95%) in the number of the shares giving a right to attend and vote at the meeting, excluding any shares in the Company held as treasury shares.

77. Special notice

Where by the Act or this Constitution special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company at least twenty eight (28) days before the meeting at which it is moved. The Company shall where practicable give its members notice of any such proposed resolution at the same time and in the same manner as it gives notice of the meeting, or if that is not practicable, the Company shall give its members notice thereof, in any manner allowed by this Constitution or the Listing

Requirements, not less than fourteen (14) days before the meeting. If, after notice of the intention to move such a resolution has been given to the Company, a meeting is called on a date twenty eight (28) days or less after the notice has been given, the notice although not given to the Company within the time required by this Article shall be deemed to be properly given.

### **PROCEEDINGS AT GENERAL MEETINGS**

78. Business deemed special

All business shall be deemed special that is transacted at any extraordinary general meeting and also all business that is transacted at an annual general meeting, with the exception of the receipts and consideration of the audited financial statement, and consolidated financial statements of the Company and the reports of the Directors and auditors, the declaration of dividends, the election and remuneration of Directors, and the appointment of and the fixing of the remuneration of the auditors.

79. Quorum at general meetings

No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. For all purposes, where there are two (2) members of the Company present in person or by proxy, or, in the case of corporations which are members, present by their representatives appointed pursuant to the provision of this Constitution and entitled to vote shall be a quorum.

80. If quorum not present meeting adjourned or dissolved

If within half an hour after the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of members, shall be dissolved. If otherwise convened, it shall stand adjourned to the same day in the next week (or if that day be a public holiday, then to the next business day following such public holiday), at the same time and place, or to such other day and at such other time and place as the Directors may determine.

81. Chairman of general meeting

The chairman of the Board shall preside as the chairman at every general meeting of the Company. If the chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting the members present in person or by proxy and entitled to vote shall elect one of their members to be chairman of such general meeting.

Without prejudice to any other power which the chairman may have under the provisions of this Constitution or at common law and subject to the Act and the Listing Requirements, the chairman may take such action as he thinks fit to promote the orderly conduct of business of all general meetings as specified in the notice of such meetings and the chairman's decision on matters of procedure or arising incidentally from the business of such meetings shall be final, as shall be his determination as to whether any matter of such nature.

82. Notice of adjournment to be given

The chairman of the meeting may, with the consent of the meeting at which a quorum is present and if directed by the meeting shall, 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.

83. Voting by poll

Any resolution put to the vote of the general meeting shall be determined by poll.

84. Error in vote count

No objection shall be raised as to any error in the counting of votes except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at the meeting shall be valid for all purposes. Any objection shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

85. Poll to be taken as chairman shall direct

Subject to the Act and the Listing Requirements, the poll shall be taken in such manner as the chairman of the meeting may direct (including the use of a ballot or voting papers or tickets) and the result of a poll shall be deemed the resolution of the meeting at which the poll was demanded. The Company shall appoint at least one (1) scrutineer to validate the votes cast at the general meeting, and such scrutineer must not be an officer within the meaning given in the Act of the Company or its related corporation and must be independent of the person undertaking the polling process. The scrutineer must refrain from acting as the scrutineer for any resolution for which he is interested.

### **VOTES OF MEMBERS**

86. Rights and votes of members

- (1) Subject to Article 52 and any special rights or restrictions for the time being attached to any class or classes of shares, at meetings of members or classes of members, each member shall be entitled to be present and to vote at any general meeting of the Company either personally or by proxy or by attorney and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares upon which all calls due to the Company have been paid.
- (2) Subject to Article 52 and any special rights or restrictions as to voting attached to any class or classes of shares by or in accordance with this Constitution, in the case of a poll every member present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for every share held by him upon which all calls due to the Company have been paid as entered against his name in the General Meeting Record of Depositors.
- (3) A member entitled to more than one (1) vote need not use all his votes or cast all the votes he uses on a poll in the same way.

87. Corporation as member

- (1) Any corporation which is a member of the Company may by resolution of its Directors or other governing body authorize a person or persons as it thinks fit to act as its representative or representatives either at a particular meeting of the Company, or at all meetings of the Company or any class of members.
- (2) If the corporation authorizes only one person, the person so authorised shall, in accordance with his authority and until his authority is revoked by the corporation, be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if he was an individual member of the Company.

- (3) If the corporation authorizes more than one person as its representatives, and more than one of the representatives purport to exercise the power on behalf of the corporation:
- (a) If the representatives purport to exercise the power in the same way, the power is treated as exercised in that way; or
  - (b) If the representatives do not purport to exercise the power in the same way, the power is treated as not exercised.

For the avoidance of doubt, if the representatives do not cast their votes in the same way, the vote shall be treated as not cast.

88. Member in default

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

89. Time for objection

No objection shall be raised as to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman at the meeting, whose decision shall be final and conclusive.

90. Chairman of the meeting to have casting vote

In the case of any equality of votes on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.

91. Instruments of proxy

- (1) The instrument appointing a proxy and the power of attorney or other authority under which the instrument is signed or a notarially certified copy of such power or authority, shall be deposited at the Office within the period prescribed under the Act.
- (2) The Company shall be entitled:-
  - (a) to reject any instrument of proxy if the said instrument, or the power of attorney or other authority under which the instrument is signed (if applicable) is not deposited at the Office within the period prescribed under the Act;
  - (b) to reject any instrument of proxy lodged if the name of such person appointing a proxy does not appear as a registered holder of shares of the Company in the General Meeting Record of Depositors pursuant to Article 72(4);
  - (c) to accept the aggregate number of shares which is entered: (i) against the name of that member in the General Meeting Record of Depositors made available to the Company or (ii) in the case of a member who is a Depositor and an Authorised Nominee including an Exempt Authorised Nominee, against the Securities Account number and name of the beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting as shown in the General Meeting Record of Depositors made available to the Company; as the maximum number of votes which in aggregate the proxy or proxies, as the case may be, appointed by the member is able to cast on a poll, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that member; and

- (d) to reject any instrument of proxy where a member of the Company appoints more than one proxy in relation to a meeting but fails to specify the proportion of the member's shareholdings to be represented by each proxy.

92. Form of proxy

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

93. Validity of proxy

Subject always to Article 91, a vote given in accordance with the terms of an instrument of proxy or attorney shall be valid, notwithstanding the previous death or unsoundness of mind of the principal or revocation of the instrument of proxy, or of the authority which the instrument of proxy was executed, or the transfer of the share in respect of which the instrument of proxy is given provided that no intimation in writing of such death, unsoundness of mind, revocation or transfer shall have been received by the Company at the Office not earlier than forty-eight (48) hours before the commencement of the meeting or adjourned meeting at which the instrument is used.

## DIRECTORS

94. Directors

Until otherwise determined by the Company in general meeting the number of Directors shall not be less than two (2) nor more than twelve (12). No one other than a natural person shall be a Director of the Company.

95. Director's Qualification

There shall be no shareholding qualifications for Director. Notwithstanding that the Directors may not members, all Directors shall be entitled to receive notice of and to attend and speak at all general meetings of, and any separate meeting of the holders of any class of share in the Company.

96. Rotation and retirement of Directors

- (1) At the first annual general meeting of the Company all the Directors shall retire from office, and at the annual general meeting in every subsequent year, 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, shall retire from office PROVIDED ALWAYS that all Directors including Managing Director and Executive 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. An election of Directors shall take place each year. The cost of serving the notice to propose the election of a director where the nomination is made by a member or members shall be borne by the member or members making such nomination.
- (2) The Directors to retire in every year shall be those who have been longest in office since their last election, but as between Directors of equal seniority, the Directors to retire shall (unless they otherwise agree among themselves) be determined from among them by lot.

97. Nomination of Director

No person, not being a retiring director or any person appointed by the Board to be a Director either to fill a casual vacancy or as an addition to the Board, shall be eligible for election as a Director at any general meeting unless a member intending to propose him for election has, at least eleven (11) clear days before the meeting, left at the Office a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such member to propose him for election, provided that in the case of a person recommended by the directors for election, nine (9) clear days' notice only shall be necessary, and notice of each and every candidature for election to the Board shall be served on the members at least seven (7) days prior to the meeting at which the election is to take place.

98. Retiring director deemed to be re-appointed

The Company at the meeting at which a Director retires under any provision of this Constitution may by ordinary resolution fill the vacated office by electing a person thereto. In default the retiring Director, if he offers himself for re-election, shall be deemed to have been re-elected, unless:-

- (1) at such meeting it is expressly resolved not to fill such vacated office, or a resolution for the re-election of such Director is put to the meeting and lost; and
- (2) such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
- (3) such Director is disqualified under the Act or some other law for the time being in force holding office as a Director.

99. Election of Directors

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

100. Company may increase or reduce number of Directors

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

101. Alternate Directors

- (1) (a) Each Director shall have power from time to time to appoint any person, not being a Director, to act as his alternative Director provided that he does not act as an alternate for more than one director of the Company and his appointment shall not take effect until approved by a majority of the other Directors. An alternate Director so appointed shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but save as aforesaid he shall not in respect of such appointment be entitled to receive any remuneration from the Company.

- (b) The appointment of an alternate Director shall be valid if made by telex, facsimile or other electronic transmission, provided that such nomination shall be confirmed within one (1) month from the date of such telex, facsimile or other electronic transmission by a written nomination complying with the abovementioned requirements and any act done by the alternate Director nominated in such telex, facsimile or other electronic transmission shall be as valid and effectual as if such alternate Director had been duly appointed in the first instance.
  - (c) 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.
- (2) The appointment of an alternate Director shall ipso facto determine:-
- (a) if his appointor ceases for any reason to be a Director; or
  - (b) if his appointor revokes his appointment by delivering a notice in writing to the Office;

Provided that if any Director retires by rotation but is re-elected by the meeting or is, pursuant to the provisions of this Constitution deemed to be re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after such re-election as if he had not so retired. Every person acting as an alternate Director shall be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults and he shall not be deemed to be agent of or for the Director appointing him.

- (3) An alternate Director shall be entitled (subject to his giving to the Company an address at which notices may be served on him) to receive notices of meetings of the Directors and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally in the absence of his appointor to perform all the functions of his appointor as a Director.

102. Removal of Directors

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

103. Directors' power to fill casual vacancies or appoint additional Directors

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

104. Remuneration of Directors

- (1) Fees and any benefits payable including any compensation for loss of employment to the Directors in any year (excluding amounts payable under any other provision of this Constitution) shall be subject to annual shareholder approval at a general meeting, and such fee and benefits shall be divisible (unless otherwise determined by an ordinary resolution of the Company in general meeting) among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees and benefits are payable shall be entitled only to rank in such division for a proportion of the fee related to the period during which he has held office.
- (2) Fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover.
- (3) Salaries payable to Director(s) holding executive position(s) may not include a commission on or percentage of turnover.
- (4) Executive Director(s) shall, subject to the terms of any agreement entered into in any particular case, receive(s) such remuneration as the Board may from time to time determine.

105. Payment of expenses

- (1) The Directors (including alternate Directors) shall be entitled to be reimbursed for all travelling, hotel or such reasonable expenses properly incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.
- (2) If it is required by the decision of the Board that any Director perform or render any special duties or services outside his ordinary duties as a Director, in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged provided always shareholders' prior approval is obtained in a general meeting in pursuant to Article 104.
- (3) Any extra remuneration payable to:
  - (a) a non-executive Director shall be by a fixed sum and regarded as fees subject to shareholders' approval, and shall not include a commission on or percentage of profits or turnover; and
  - (b) an executive Director shall be regarded as salaries and shall not include a commission on or percentage of turnover.

106. Vacation of office of Directors

- (1) The office of Director shall, ipso facto, be vacated if the person holding that office:-
  - (a) resigns by notice in writing under his hand sent to or left at the Office;
  - (b) has retired in accordance with the Act or this Constitution but is not re-elected;

- (c) becomes disqualified from being a director under the Act or the Listing Requirements;
  - (d) 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;
  - (e) has been absent from more than fifty per cent (50%) of the total meetings of the Directors held from the date of his election or appointment to the end of the financial year of the Company in which he a was elected or appointed or has been absent from more than fifty percent (50%) of the total meeting of the directors held during any financial year of the Company, whether or not an alternate Director appointed by him attended, unless otherwise exempted by the Exchange on application by the Company;
  - (f) is removed from his office of Director by ordinary resolution of the Company in general meeting of which special notice has been given in accordance with the Act;
  - (g) becomes bankrupt during his term of office or makes any arrangement or composition with his creditors generally;
  - (h) if he becomes prohibited from being a Director by reason of any order made under the provisions of the Act;
  - (i) is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare the nature of his interest in the manner required by the Act; or
  - (j) without the consent of the Company in general meeting holds any other office of profit under the Company except that of Managing Director or manager.
- (2) If the office of a Director is vacated for any reason, he shall cease to be a member of any committee or sub-committee of the Board.

### **POWERS AND DUTIES OF DIRECTORS**

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

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

108. Cases where prior approval in general meeting of Company is required

- (1) The Directors shall not enter or carry into effect any arrangement or transaction for:-
- (a) the acquisition of any undertaking or property of a substantial value; or
  - (b) the disposal of a substantial portion of the Company's undertaking or property;

unless the entering into the arrangement or transaction is made subject to the approval of the Company by way of a resolution, or the carrying into effect of the arrangement or transaction has been approved by the Company by way of a resolution.

- (2) A Company shall not enter or carry into effect any arrangement or transaction where a director or a substantial shareholder of the Company or its subsidiary, or a person connected with such a director or substantial shareholder:
- (a) acquires or is to acquire shares or non-cash assets of the requisite value as stated in the Act, from the Company; or
  - (b) disposes of or is to dispose of shares or non-cash assets of the requisite value as stated in the Act, to the Company;

unless the entering into the arrangement or transaction is made subject to the approval of the shareholders at a general meeting, or the carrying into effect of the arrangement or transaction has been approved by shareholders at a general meeting.

109. Borrowing powers of Directors

- (1) Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
- (2) The Directors shall cause a proper register to be kept in accordance with Section 362 of the Act of all charges or assignments specifically affecting the property of the Company and shall duly comply with the requirements of Sections 352 and 353 of the Act in regard to the registration of charges therein specified and otherwise.

110. Benefits to those who serve the Company and to members

- (1) Subject to the Act and the Listing Requirements, the Directors may procure the establishment and maintenance of any non-contributory or contributory pension or superannuation fund or life assurance scheme for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances or benefits to any persons who are or shall have, been at any time in the employment or service of the Company or any subsidiary company or to any persons who are or have been a Director or other officer of and holds or have held salaried employment in the Company or any subsidiary company, or the wives, widows, families or dependents of any such persons.
- (2) Subject to the Act and the Listing Requirements, the Directors may also procure the establishment and subsidy of or subscription and support to any institutions, association, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or of its members and payment for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibitions or for any public, general or useful object.

111. Power to appoint attorneys

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

112. Signatures on cheques and bills

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

113. Director may hold any other office or place of profit

A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company with regard to his tenure of any such office or place of profit or as vendor, purchaser or in any other respect nor shall any such contract, or any contract or arrangement entered into by or on behalf of any company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested, be liable to be avoided, nor shall any Director so contracting or being so interested liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established provided always that Sections 221, 222 and 228 and all other relevant provisions of the Act, the Listing Requirements and this Constitution are complied with.

114. Right to payment for professional services

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

### **MINUTES AND REGISTERS**

115. Minutes

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

- (1) of all appointments of managers and secretaries involve in the management of the Company's affairs;
- (2) of the names of all the Directors present at each meeting of the Directors and of any Committee of Directors and of the Company in general meeting;
- (3) of all resolutions and proceedings of general meetings and of meetings of the Directors and Committees of Directors; and
- (4) of all orders made by the Directors and any Committee of Directors.

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

116. Keeping of registers

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

## PROCEEDINGS OF THE BOARD

117. Exclusion of Third Schedule of the Act

The Third Schedule of the Act shall not apply to the Company.

118. Meetings of Directors

The Directors may meet together for the despatch of business at such time and place, adjourn and otherwise regulate their meetings and proceeding as they think fit. The quorum necessary for the transaction of the business of the Directors shall be two (2) Directors.

119. Competency of quorum present

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 Directors generally. Subject to this Constitution questions 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 Directors. In case of an equality of votes the chairman of the meeting shall have a second or casting vote except where only two Directors are competent to vote on the question at issue, or are the quorum present at meeting.

120. Meeting by conference telephone

A member of the Board, or of a committee of the Board, may participate in a meeting of the Board or the committee by means of a conference telephone or any other audio, or audio-visual, communication equipment which allows all persons participating in the meeting to hear and speak with each other. A participant shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. The venue of meeting held by means of a conference telephone or similar electronic tele-communicating equipment shall be decided by the Directors. Any person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly subject to and in accordance with the provisions of the Act and this Constitution. Unless otherwise decided by the Directors, such a meeting shall be deemed to take place at the venue of the meeting stated in the notice of meeting.

121. Powers of continuing Directors during vacancy

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 number fixed by or pursuant to this Constitution, the continuing Director or Directors may act for the purpose of increasing the number of Directors to such minimum number or of summoning a general meeting of the Company, but for no other purposes except in an emergency. If there are no directors or director able or willing to act, then any two (2) members may summon a general meeting for the purpose of appointing Directors.

122. Calling for meetings

A Directors may at any time summon a meeting of the Directors, and the Secretary, upon the request of the chairman of the Directors or any one (1) Director, shall convene a meeting of the Directors. Unless otherwise determined by the Directors, at least seven (7) days Notice of a Board meeting shall be given to all Directors and their alternate Directors. Such notice is deemed to be duly given to a Director or his alternate Director if it is given to him personally or by electronic communication to an address given by him to the Company for that purpose or sent in writing to him at his last-known address or another address given by him to the Company for that purpose, except in the case of an emergency, where reasonable notice of the meeting shall be sufficient. A Director may waive the requirement that notice be given to him of a Board meeting, either prospectively or retrospectively provided that the waiver is made and signed by the Director in writing. A Director absent or intending to be absent from Malaysia may request that notices of Board meetings during his absence be sent in hard copy form or by electronic communication to him at an address given by him to the Company for that purpose. If no request is made (and/or if no such non-Malaysian address is given) it is not necessary to give notice of a Board meeting to a Director who is absent from Malaysia.

123. Directors may elect and remove a chairman

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

124. Disclosure of Director

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

125. Director not to vote in contracts where he has an interest

Save where exceptions under the Act applies, a Director who is in any way, whether directly or indirectly, interested in a contract entered into or proposed to be entered into by the Company (unless the interest is one that may be regarded as not being a material interest or need not be disclosed under Section 221 of the Act), shall not vote or participate in any discussion while the contract or proposed contract is being considered during the meeting.

126. Director may be counted in quorum notwithstanding his interest

A Director, notwithstanding his interest shall be counted in the quorum present at the meeting provided always that he has complied with Section 221 and all other relevant provisions of the Act and of this Constitution.

127. Voting right of Director

A Director may be or become or continue to be a director, managing director, manager or other officer or member of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise, or any corporation, which is directly or indirectly interested in the Company as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director, managing director, manager or other officer of or member of, or from his interest in, such corporation, whether as a nominee of the Company or otherwise, unless the Company otherwise directs at the time of his appointment. Subject always to Sections 221 and 222 and all other relevant provisions of the Act, the Listing Requirements and of this Constitution, the Director may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company (if he is so appointed as the corporate representative of the Company for such purpose), or voting rights exercisable by him as director of such other corporation, in such manner and in all respects as he thinks fit.

### **COMMITTEES OF THE BOARD**

128. Power to establish Committees etc

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

129. Meetings and proceedings of Committees

The meetings and proceedings of any such committee consisting of two (2) or more members (whether or not a Director) shall be governed by the terms of reference prescribed by the Board. The quorum of any such committee meeting shall be fixed at two. Where the Board resolves to delegate any of its powers, authorities and discretions to a committee and that resolution states that the committee shall consist of any one or more unnamed Directors, it is not necessary to give notice of a meeting of that committee to Directors other than the Director or Directors who form the committee and in the absence of such terms of reference, the provisions herein contained for regulating meetings and proceedings of Directors shall in so far as possible apply to meetings and proceedings of any such committee.

130. Chairman of Committee

A committee, local board or agency may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting, the chairman is not present within thirty (30) minutes after the time appointed for holding of the meeting, the members present may choose one (1) of their number to be the chairman at the meeting.

## **VALIDATION OF ACTS OF DIRECTORS**

### 131. Validity of acts of Directors

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

## **CIRCULAR RESOLUTIONS**

### 132. Resolutions signed by Directors to be valid

A resolution in writing signed or approved by letter, electronic mail, or telefax or other electronic communication by majority of the Directors and who are sufficient to form a quorum, but other than any Director who is precluded or prohibited from voting on the resolution in question by reason of this Constitution or any applicable law, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that where a Director is not so present in Malaysia and has not supplied to the Secretary an address for the giving of notices to him while he is not so present but has an alternate who is so present, then such resolution shall be signed by such alternate.

All such resolutions shall be described as "Directors' Circular Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's Minute Book. Any such resolution may consist of several documents in like form, each signed by one or more Directors or their alternates. Any such document may be accepted as sufficiently signed by a Director or his alternate if transmitted to the Company by any technology purporting to include a signature and/or electronic or digital signature of the Director or his alternate.

## **EXECUTIVE OFFICER(S)**

### 133. Executive officer

- (1) The Board may from time to time appoint any one or more of their body to be the holder of any executive office or position (including but not limited to the office of Chief Executive, Managing Director, Chief Financial Officer) for such period and upon such terms as it thinks fit, provided always that any appointment to the office(s) of the Chief Executive and/or Managing Director shall be for such period not exceeding three (3) years.
- (2) The appointment of any Director to an executive position under Article 133(1) shall be subject to termination if he ceases from any cause to be a Director but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company. Any compensation for loss of employment shall be subject to approval at general meeting in accordance with Section 230 of the Act.
- (3) The Board may entrust to and confer upon such Director(s) appointed to an executive position under Article 133(1), any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit and may from time to time (subject to the terms of any agreement entered into in any particular case) revoke, withdraw, alter or vary all or any of such powers, provided always that the Chief Executive and/or the Managing Director shall be subject to the control of the Board.

134. No exemption of executive Director and other appointees from retirement by rotation

The Managing Director or Managing Directors or Executive Director or Executive Directors shall, while he continues to hold such office, be subject to retirement by rotation and he shall be taken into account in determining the rotation or retirement of Directors pursuant to Article 96. He shall also be subject to the provisions of any contract between him and the Company and the same provisions as to resignation and removal from office as the other Directors of the Company and if he shall cease to hold the office of Director he shall ipso facto and immediately cease to be the Managing Director or Managing Directors or Executive Director or Executive Directors, as the case may be.

### **ASSOCIATE DIRECTORS**

135. Power of Board to appoint associate directors

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

### **THE SECRETARY**

136. Appointment by Directors

The Secretary shall, in accordance with the Act, be appointed by the Board for such term, at such remuneration, and upon such conditions as the Board think fit. The Secretary so appointed may be removed by the Board in accordance with the terms of appointment or in the event he/ she becomes disqualified to act as a secretary under the Act.

### **SEAL**

137. Formalities of affixing seal

The Directors 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 Directors authorised by the Directors to use the Seal. The Directors may from time to time make such regulations as they think fit determining the persons and the number of such persons in whose presence the Seal shall be affixed and, until otherwise so determined, every instrument to which the Seal shall be affixed shall be signed by at least 2 Directors or by 1 Director and by the Secretary or by some other person appointed by the Directors for the purpose provided always that no person dealing with the Company shall be concerned to see or enquire as to whether any regulations so made have been complied with.

138. Share seal

The Company may also have a share seal pursuant to Section 63 of the Act.

### **SEAL FOR USE ABROAD**

139. Power to have official seal for use abroad

The Company or the Directors on behalf of the Company may exercise the powers conferred by the provisions of the Act with regard to having an official seal for use abroad.

## DIVIDEND

140. Payment of dividends

The profits of the Company available for dividend and determined to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. Before a distribution is made by the Company to any members, such distribution shall be authorized by the Directors.

141. Amount of dividend

No dividend shall be paid otherwise than out of profits of the Company. Subject to the Act, the Directors may authorize a distribution at such time and in such amount as the Directors consider appropriate, if the Directors are satisfied that the Company will be solvent immediately after the distribution is made.

142. Apportionment of dividends

Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividends is paid, but amount paid up on a share in advance of calls shall not, whilst carrying interest pursuant to Article 31, be treated for the purpose of this Article as paid up in the share.

All dividends shall be apportioned and paid pro-rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid except that if any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) as from a particular date, such share shall rank for dividend accordingly.

143. Power to retain dividends

- (1) Subject to Article 42, the Directors may deduct from any dividend payable to any member all sums of money (if any) immediately payable by him to the Company on account of calls or otherwise in relation to the shares of the Company held by him.
- (2) Subject to Article 42, the Directors may retain any dividend or other moneys payable on or in respect of a share other than fully paid shares on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

144. Dividends shall not bear interest

Without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided, any dividend or other monies payable on or in respect of any share shall not bear interest against the Company.

145. Power to retain dividends in respect of transmission of shares

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

146. Unclaimed dividends

Any dividends, which is unclaimed for more than one (1) year after having been declared and/or becomes payable, will be given to the Registrar of Unclaimed Moneys and a report of the unclaimed money will be lodged with the Registrar in the prescribed manner in accordance with the provisions of the Unclaimed Moneys Act, 1965.

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

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

148. Payment procedure

Subject to the provisions of the Act, the Central Depositories Act, the Rules, the Listing Requirements and/or regulatory authorities, any dividend, interest or other sum payable in cash by the Company in respect of a share may be paid by directly crediting the members' dividend entitlements into their bank accounts by way of electronic bank transfer or cheque or warrant sent by post addressed to the holder at his registered address as it appears in the Register or the Record of Depositors or addressed to such person and at such address as the holder may in writing direct. Every electronic bank transfer or cheque or warrant shall, unless the holder otherwise directs, be remitted or made payable to the holder whose name appears in the Register or the Record of Depositors in respect of the shares, and shall be sent at his risk and payment of the cheque or warrant by a bank on which it is drawn shall constitute a good and full discharge to the Company. In addition, any such dividend or other sum may (subject to any restrictions which may be imposed by applicable law) be paid by any bank or other funds transfer system or such other means and to or through such person as the holder may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions. Any holder may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by him. Where a person is entitled by transmission to a share, any dividend or other sum payable by the Company in respect of the share may be paid as if he were the holder of the share and his address noted in the Register or Record of Depositors were his registered address.

149. Payment of dividend in specie

- (1) The Directors may authorize payment of a dividend be made either wholly or partly by the distribution of specific assets on such terms and conditions as may be specified by the Directors.
- (2) Without prejudice to the generality of the provisions of this Article 149, any distribution of dividends to be made wholly or partly by the distributions of assets may (subject to terms and/or conditions as may be specified):
  - (a) without limitation, include or be in respect of Specific Securities of any other company or body corporate or entity;
  - (b) without limitation, be in respect of a specific asset or combination of assets and may also be in combination with cash payments;
  - (c) any cash payments to be so made, may without limitation be made in lieu of the distribution of an asset or part of an asset to member or members in respect of the whole or part of such member or members' entitlement to such distribution;
  - (d) be on terms and/or conditions which without limitation, may allocate differing types of distributions based on the size of holdings or whether holdings are or are not in certain board lots or multiples, such that members or certain members may be distributed assets of a differing nature or different assets or differing combinations of assets or in combination with cash or otherwise distributed solely as cash,

and the Directors may (without requiring authority from the Company in general meeting) fix any terms and/or conditions for any distribution of assets (whether in combination with cash or otherwise) not already specified in any approval for such distribution (even if so approved in general meeting) including (without limitation), fixing the value of assets or particular assets to be distributed and/or the basis for valuation or determination of such value and the amounts of cash payments to be made in lieu of distribution of assets or particular assets and in any event, where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and 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 on the basis 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 Directors.

- (3) The Directors may, in relation to any such distribution of Specific Securities of a company, authorise any person to enter on behalf of all the members interested into an agreement with that company whereby such members agree to become members and to be bound, in respect of their holdings of the Specific Securities of that company from time to time, by the constitution (as amended from time to time) of that company and each mandate or other instruction relating to the payment of dividends or making of distributions by the Company, and which is in force at the time of determining entitlement to any distribution of such Specific Securities of that company, shall unless and until revokes, become a valid and binding mandate or other instruction to that company in respect of any dividend or other distribution paid or made by it, and any agreement made under the authority given to the Directors pursuant to this Article shall be effective and binding on all concerned.
- (4) For the purpose of this Article 149, reference "Specific Securities" means "paid-up" shares, debentures stocks or such other securities.

150. Members only entitled to Dividends

Subject to Articles 145 and 147, every dividend shall belong and be paid (subject to the Company's lien) to those members who shall be on the Register and Record of Depositors at the date fixed for entitlement of such dividend.

### **CAPITALISATION OF PROFITS**

151. Capitalisation on resolution of Directors

The Directors may resolve (or where approval of the Company at the general meeting is required under the Act or the Listing Requirements, upon such approval having been obtained) 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 provided that such sum be not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors may do all acts required to give effect to such resolution.

152. Appropriations and allotments

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

### **ACCOUNTS**

153. Accounts to be kept, custody of books and inspection by Directors

The Company, the Directors and managers of the Company shall cause proper accounting and other records to sufficiently explain the transactions and financial position of the Company and to be kept in a manner as to enable the accounting and other records to be conveniently and properly audited as required by the Act. Subject always to Section 245(5) of the Act the books of account or records of operations shall be kept at the Office or at such other place as the Directors think fit and shall always be open to inspection by the Directors.

154. Presentation of accounts

The Directors shall from time to time in accordance with the Act, cause to be prepared and laid before the Company in general meeting such financial statements and directors' report as are referred to in the Act. The interval between the close of a financial year of the Company and the issue of the annual audited financial statements, the Directors' and auditors' reports shall not exceed four (4) months or as stipulated by the Exchange or the Act. The Company shall circulate its financial statements and reports for each financial year to every member of the Company (whose name appear in the Record of Depositors), every person who is entitled to receive notices of general meetings of the Company, the Directors, the auditors of the Company and to every debenture holder of the Company on a request being made to the Company under the provisions of the Act or of this Constitution, at least twenty one (21) days before the date of its annual general meeting. 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.

155. Directors not bound to publish any securities or investments of the Company

Save as may be necessary for complying with the provisions of the Act or as the Company may by special resolution otherwise resolve, the Directors shall not be bound to publish any list or particulars of the securities or investments held by the Company or to give any information with reference to the same to any member.

### **AUDITORS**

156. Appointment of auditors

Auditors shall be appointed in accordance with Sections 271 to 273 of the Act and their duties regulated in accordance with Sections 262 to 266 and 274 to 287 of the Act.

157. Auditors right to receive notices of and attend and speak at general meetings

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

**LANGUAGE**

158. Accounts to be kept in English or Malay language

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

**DESTRUCTION OF DOCUMENTS**

159. Destruction of records

Subject as hereinbefore provided and to any law in Malaysia for the time being in force, the Company shall be entitled to destroy:-

- (1) at any time after the expiration of six (6) years from the date of registration thereof or on which an entry in respect thereof shall have been made (as the case may be, all instruments of transfer of shares or other forms of security of the Company which shall have been registered and all letters of request, renounces allotment letters, share certificates, forms of acceptance and transfer and applications for allotment in respect of which an entry in the Register of Transfer shall have been made and all records on microfilm or on any other system of data recording and storage;
- (2) at any time after the expiration of six (6) years from the date of cancellation thereof, all registered certificates for shares or representing any other form of security of the Company (being certificates for shares or other securities in the name of a transferor and in respect whereof the Company has registered a transfer) and mandates and other written directions as to the payment of dividends or interest (being mandates or directions which have been cancelled); and
- (3) at any time after the expiration of six (6) years from the date of the recording thereof, all notifications of change of name or address;

and it shall conclusively be presumed in favour of the Company that:-

- (a) every instrument of transfer so destroyed was a valid and effective instrument duly and properly executed and registered;
- (b) every certificate for shares or representing any other form of security so destroyed was a valid certificate duly and properly cancelled; and
- (c) every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company.

Provided that:-

- (i) the provisions aforesaid shall apply only to the destruction of documents in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (ii) nothing herein contained shall be construed as imposing on the Company any liability in respect of the destruction of any such document earlier than as aforesaid; and
- (iii) references herein to the destruction of any document include references to the disposal thereof in any manner.

### **AUTHENTICATION OF DOCUMENTS**

#### 160. Authentication of documents

Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and, where any books, records, documents or accounts are kept elsewhere other than in the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution of the Directors or any extract from the minutes of a meeting of the Directors which is certified as such in accordance with the provisions of this Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.

### **NOTICES AND COMMUNICATION**

#### 161. Methods of Communication

Any notice or other communication between the Company and its members, Directors and auditors on matters relating to meetings and resolutions, supply of information or documents or otherwise for purposes of complying with the Act and the Listing Requirements may be in hard copy, electronic media, electronic form or other methods as set out in this Constitution.

#### 162. Service of Communication

A notice or other communication and supply of information or documents shall be valid if served by the Company or the Secretary on any member, Director and auditor, in any one of the following manner:-

- (1) if in hard copy or in the form of electronic media (including compact disc read-only memory or digital video disc read-only memory), by serving it either personally, or through the post in prepaid letter or through airmail for such address outside Malaysia:
  - (a) to the member at the last known address as appearing in the Records of Depositors;
  - (b) to the Director at the address as appearing in the register of directors; and
  - (c) to the auditor at the last known address provided to the Company.
- (2) if in electronic mail or other electronic form, by serving it to the electronic address as provided to the Company for such purpose, or to the electronic address as appearing in the Record of Depositors for a member, or through any other electronic means or form of electronic transmission;

- (3) by publication of the notice, communication or documents on the Company's website, together with hard copy notification in writing to the members, Directors and auditor of the Company of such publication and the designated website address where these may be downloaded;
- (4) by facsimile transmission to the facsimile number of the addressee;

Provided always:

- (i) if the documents are sent by electronic means, any member may request for a hardcopy of the documents on application at the Office; and
- (ii) the Company shall comply with any such additional requirements for service of specific notices, communication or documents which may be prescribed by the Exchange.

163. Proof of service

In proving service by post or airmail, it shall be sufficient to prove that the letter containing the notice or document was properly addressed and stamped and put into a Government post office letter box. Any facsimile shall be deemed served with the transmission report indicating the complete transmission. Any notice, communication or other document if served in electronic form shall be deemed to be served at the time of transmission of such notice, communication or document in electronic form by the email server or facility operated by the Company or its service provider to the electronic address of the member if there is no written notification of delivery failure and there is record of the email being sent. In the event of a delivery failure via email, the Company or the Secretary shall immediately send such notice, communication or other document through any one of the other methods authorized under Article 162 of this Constitution.

164. Service of notices after death or bankruptcy of member

Every person who, by operation of law, transfer, transmission or other means whatsoever, is entitled to any share, shall be entitled to have served upon him any notice, communication or document to which the member but for his death or bankruptcy would be entitled, when his name and address is entered in the Record of Depositors as the registered holder of such share, upon supplying to the Depository such evidence as the Depository may require to show his title to the share.

165. Service of notice on deceased member

Any notice, communication or document served on any member appearing in the Record of Depositors shall, if such member be then deceased, and whether or not the Company has notice of his death, be deemed to have been duly served on his legal personal representatives.

166. Notice etc

The notice of every general meeting and documents required to be given in accordance with the Act and the Listing Requirements shall be given in the form and any manner hereinbefore authorised to every member, the Directors of the Company and the auditor for the time being of the Company. Save as otherwise provided in this Constitution or in the Act, no other person shall be entitled to receive notice of general meetings. Any notice on behalf of the Company or of the Board shall be deemed effectual if it purports to bear the signature of the Secretary or other duly authorised officer of the Company.

## **WINDING UP**

### 167. Distribution of assets

If the Company winds up voluntarily, the liquidator may, with the sanction of a special resolution of the Company, divide amongst the members the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### 168. Proportionate 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: -

- (1) 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
- (2) If in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed among the members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively.

## **SECURITY CLAUSE**

### 169. Member not entitled to information of the Company

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 business or operations or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the members of the Company to communicate to the public.

## **INDEMNITY**

### 170. Indemnity to officers

- (1) For the purposes this Article, "officer" includes –
  - (a) any Director, manager, Secretary or employee of the Company;
  - (b) a former officer;
  - (c) a receiver or receiver and manager of any part of the undertaking of the Company appointed under a power contained in any instrument; and
  - (d) any liquidator of the Company appointed in a voluntary winding up, but does not include –
    - (i) any receiver who is not also a manager;

- (ii) any receiver and manager appointed by Court; or
  - (iii) any liquidator appointed by the Court or by the creditors of the Company.
- (2) Unless otherwise prohibited or restricted by the Act, every Director appointed to an executive position under Article 133 or officer for the time being of the Company shall be indemnified by the Company in respect of any liability to any person, other than the Company, for any act or omission in his capacity as a director or officer of the Company and any costs incurred by that director or officer in defending or settling any claim or proceedings relating to any such liability in accordance with section 289(4) of the Act. Subject to the provisions of the Act, the Company shall further indemnify the director or officer of the Company for any costs incurred by him or the Company in respect of any proceedings that relates to the liability for any act or omission in his capacity as a director or officer and in which judgment is given in favour of the director or officer or in which the director or officer is acquitted or in which the director or officer is granted relief under the Act, or where proceedings are discontinued or not pursued.

### **RECONSTRUCTION**

#### 171. Power of Directors or liquidators

On the sale of the undertaking of the Company, the Directors or the liquidators on a winding up may, if authorised by a special resolution, accept fully paid or partly paid-up shares, debentures or securities of any other company, either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Directors (if the profits of the Company permit), or the liquidators (on a winding up), may distribute such shares or securities, or any property of the Company amongst the members without realisation, or vest the same in trust for them and any special resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company, and for valuation of any such securities or property at such price and in such manner as the meeting may approve, and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in the case of the Company which is proposed to be or is in the course of being wound up, such statutory rights (if any) under Section 270 of the Act as are incapable of being varied or excluded by these Articles.

### **EFFECT OF THE LISTING REQUIREMENTS**

#### 172. This Constitution shall be construed with strict compliance to the Listing Requirements in that:-

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

- (6) If any provision of 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.
- (7) where a minimum period is set out in this Constitution for which an act is to be done or omitted to be done and such minimum period is less than the minimum period required by the Listing Requirements, such minimum period as set out in this Constitution shall be increased to such minimum period prescribed by the Listing Requirements.
- (8) where a maximum period is prescribed in this Constitution for which an act is to be done or omitted to be done and such maximum period exceeds the maximum period imposed by the Listing Requirements, such maximum period as set out in this Constitution shall be decreased to such maximum period prescribed by the Listing Requirements.

Notwithstanding the foregoing, nothing herein shall prevent the Company from applying to the Exchange for any waiver of its compliance or observance of any of the Listing Requirements and in the event the compliance or observance of any of the Listing Requirements is waived by the Exchange, the Company shall be exempted from such compliance.

173. Compliance with statutes, regulations and rules

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

174. Waiver

Where permitted under the law, the Company is empowered to apply as the Directors think fit, to the Exchange to:

- (1) waive or modify the Company's compliance with any of the Listing Requirements or part thereof; and/or
- (2) vary or revoke any decision(s) made by the Exchange in respect of the Company's compliance with any of the Listing Requirements or part thereof.

**ADDITIONAL INFORMATION**

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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been reviewed and approved by the Directors and they collectively and individually accept full responsibility for the accuracy of the information contained herein 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 in this Circular misleading.

**2. MATERIAL CONTRACTS**

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by Mycron or any of its subsidiaries within the past two (2) years immediately preceding the date of this Circular :-

- Sale and Purchase Agreement dated 20 November 2017 entered into between Melewar Steel Tube Sdn Bhd ("MST"), a wholly owned subsidiary of the Company and Melewar Industrial Group Berhad ("MIG") in respect of the acquisition by MST of a leasehold factory cum office building bearing address Lot 53, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor measuring approximately 196,144 sq. ft. from MIG at a total purchase consideration of RM26,000,000.00 (Ringgit Malaysia Twenty-Six Million) only. The said acquisition was completed on 30 August 2018.

**3. MATERIAL LITIGATION**

Mycron Group is not engaged in any material litigation, either as plaintiff or defendant, claims or arbitration which have a material effect on the financial position of Mycron and the Board is not aware of any proceedings pending or threatened against the Mycron Group or of any other facts likely to give rise to any proceedings which may materially and/or adversely affect the financial position and business of the Mycron Group.

**4. DOCUMENTS FOR INSPECTION**

The following documents are available for inspection at the registered office of the Company during the normal business hours for the period from the date hereof up to and including the date of the 16<sup>th</sup> AGM of the Company:

- (i) the Constitution of Mycron;
- (ii) the Statutory Financial Statements of Mycron for the two (2) financial years ended 30 June 2018 and 30 June 2019; and
- (iii) the material contract referred to under Item 2 above.



**MYCRON STEEL BERHAD**  
(Co. Reg. No.: 200301020399 (622819-D))  
(Incorporated in Malaysia)

**NOTICE IS HEREBY GIVEN** that the **16TH ANNUAL GENERAL MEETING** of the Company will be held at the **Crystal Function Room, 4th Floor, Mutiara Complex, 3½ Miles, Jalan Ipoh, 51200 Kuala Lumpur** on **Friday, 29 November 2019 at 10.00 a.m.** for the following purposes:

**AGENDA**

**AS ORDINARY BUSINESS**

**Resolution**

1. To receive the Audited Financial Statements for the year ended 30 June 2019 together with the Reports of the Directors and the Auditors thereon.  
**[Please refer to Explanatory Note A]**
2. To approve the payment of Directors' fees amounting to RM384,000.00 for the period from 1 January 2020 to 31 December 2020 to be payable quarterly in arrears to the Non-Executive Directors of the Company. **1**
3. To approve an amount of up to RM97,000.00 as benefits payable to the Non-Executive Directors of the Company for the period from 1 December 2019 until the conclusion of the next Annual General Meeting ("AGM") of the Company.  
**[Please refer to Explanatory Note B]** **2**
4. To re-elect the following Directors of the Company who are retiring in accordance with Article 113(1) of the Company's Articles of Association and who, being eligible, offer themselves for re-election:
  - (i) Tunku Dato' Yaacob Khyra **3**
  - (ii) Azlan Bin Abdullah **4**
5. To re-elect the following Directors of the Company who are retiring pursuant to Article 120 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:
  - (i) Datin Seri Raihanah Begum Binti Abdul Rahman **5**
  - (ii) Kwo Shih Kang **6**
6. To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **7**

**AS SPECIAL BUSINESS**

7. To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions :-
  - (a) **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs")** **8**

"THAT the mandate granted by the shareholders of the Company on 29 November 2018 pursuant to Paragraph 10.09 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), authorising the Company and its subsidiaries ("the Mycron Group") to enter into the RRPTs which are necessary for the Mycron Group's day-to-day operations as set out in Section 3.3(A) and 3.3(B) of Part A of the Circular to Shareholders dated 31 October 2019 ("the Circular") with the related parties mentioned therein, be and is hereby renewed, provided that :-

    - (a) the transactions are in the ordinary course of business and are on terms which are not more favourable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders of the Company; and
    - (b) the transactions are made at arm's length and on normal commercial terms.

**MYCRON STEEL BERHAD**  
**Notice of 16th Annual General Meeting**

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AND THAT, authority conferred by such renewed and granted mandate shall continue to be in force (unless revoked or varied by the Company in general meeting), until :

- (a) the conclusion of the next AGM of the Company following the forthcoming AGM at which time it will lapse, unless by a resolution passed at that meeting or Extraordinary General Meeting whereby the authority is renewed; or
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earliest.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

**(b) Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Act** **9**

"THAT, subject always to the Act, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, where such approval is necessary, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company at any time until the conclusion of the next AGM, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued."

8. To consider and, if thought fit, to pass the following resolution as Special Resolution:-

**(a) Proposed Adoption of new Constitution of the Company ("Proposed Adoption")** **Special Resolution 1**

"THAT the Company's existing Memorandum and Articles of Association be deleted in its entirety and that the new Constitution as set out in the Circular to Shareholders dated 31 October 2019 be and is hereby adopted as the new Constitution of the Company.

AND THAT the Directors of the Company be and are hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed Adoption with full powers to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities to give effect to the Proposed Adoption."

By Order of the Board

**LILY YIN KAM MAY (MAICSA 0878038)**  
Company Secretary

Kuala Lumpur  
31 October 2019

**MYCRON STEEL BERHAD**  
**Notice of 16th Annual General Meeting**

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**NOTES:-**

1. *Applicable to shares held through a nominee account.*
2. *A member entitled to attend, speak and vote at a meeting of the Company is entitled to appoint more than one (1) proxy to attend, speak and vote in his/her stead. A proxy may but need not be a member of the Company.*
3. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be presented by each proxy.*
4. *Where a member is an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
5. *The instrument appointing a proxy, shall be in writing under the hand of the appointer or his attorney duly authorised in writing, and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised.*
6. *The instrument appointing a proxy must be deposited at the Company's Registered Office, Suite 11.05, 11th Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.*
7. *Any alteration in the form of proxy must be initialled.*
8. *Form of Proxy sent through facsimile transmission shall not be accepted.*
9. *For the purpose of determining a member who shall be entitled to attend this 16th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Articles 79(a), 79(b) and 79(c) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 25 November 2019. Only a depositor whose name appears on the Record of Depositors as at 25 November 2019 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and/or vote on his/her behalf.*
10. *Explanatory Notes to Ordinary Business:*

**(A) Audited Financial Statements**

*This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders and hence, is not put forward for voting.*

**(B) Benefits Payable to Non-Executive Directors (Ordinary Resolution 2)**

*Section 230(1) of the Act provides amongst others that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.*

*The proposed Ordinary Resolution 2 is to seek shareholders' approval for payment of Directors' Benefits (excluding Directors' fees) to the Non-Executive Directors for the period from 1 December 2019 until the conclusion of the next AGM to be held in 2020 of the Company.*

*The benefits comprises the meeting allowances, benefits in kind and other emoluments payable to the Non-Executive Directors of the Company.*

*In determining the estimated total amount of remuneration (excluding directors' fees) for the Non-Executive Directors of the Company, the Board considered various factors including the number of scheduled meetings for the Board and Board Committees as well as the number of Non-Executive Directors involved in these meetings.*

*The Board is of the view that it is just and equitable for the Non-Executive Directors to be paid the directors' remuneration (excluding directors' fees) as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the relevant period.*

11. *Explanatory Notes to Special Business:*

**(C) Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Ordinary Resolution 8)**

*The Proposed Ordinary Resolution 8, if passed, will empower the Company to conduct recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations, and will eliminate the need to convene separate general meetings from time to time to seek shareholders' approval. This will substantially reduce administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.*

**(D) Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Act (Ordinary Resolution 9)**

*The Ordinary Resolution proposed under Resolution 9 of the Agenda is a renewal of the General Mandate for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Act. This mandate will provide flexibility for the Company to undertake future possible fund raising activities, including but not limited to placement of shares for purpose of funding the Company's future investment projects, working capital and/or acquisition(s) without having to convene another general meeting.*

*The Proposed Resolution 9, if passed, will give authority to the Directors of the Company, from the date of the above AGM, to issue and allot shares in the Company up to an amount not exceeding in total ten percent (10%) of the total number of issued shares of the Company for the time being, for such purposes as they consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.*

*As at the date of this Notice, 43,512,144 new shares in the Company were issued pursuant to the mandate granted to the Directors at the 15<sup>th</sup> AGM held on 29 November 2018, which will lapse at the conclusion of the 16<sup>th</sup> AGM to be held on 29 November 2019.*

**(E) Proposed Adoption of new Constitution of the Company (Special Resolution 1)**

*The proposed Special Resolution 1, if passed, shall streamline the Constitution of the Company to be aligned with the new Companies Act 2016 which came into force on 31 January 2017, the updated provision of the Listing Requirements of Bursa Malaysia Securities Berhad, and prevailing statutory and regulatory requirements as well as to render clarity and consistency throughout; details of which are as set out in the Circular to Shareholders dated 31 October 2019.*

12. *Poll Voting*

*All the Resolutions mentioned above will be put to vote by Poll.*

*The detailed information on Special Business of Agenda 7 and Agenda 8 except for Ordinary Resolution 9 as mentioned above is set out in the Circular to Shareholders of the Company dated 31 October 2019 which is despatched together with the Company's 2019 Annual Report.*

**PERSONAL DATA POLICY**

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