

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

If you are in any doubt as to the course of action to be taken, you should consult your Stockbroker, Bank Manager, Solicitor, Accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused the contents of this Statement/Circular in relation to the Proposed Renewal of Share Buy-Back and Proposed Adoption of New Constitution (as defined herein) prior to its issuance as it is prescribed as an exempt circular pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Statement/Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement/Circular.



**MKH**

**MKH BERHAD**

Company No. 50948-T  
(Incorporated in Malaysia)

**PART A**

**STATEMENT TO SHAREHOLDERS**

**IN RELATION TO THE**

**PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY  
TO PURCHASE ITS OWN SHARES  
("PROPOSED RENEWAL OF SHARE BUY-BACK")**

**PART B**

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

**PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY  
("PROPOSED ADOPTION OF NEW CONSTITUTION")**

The above proposals will be tabled as Special Businesses at the Thirty-Ninth Annual General Meeting (“39<sup>th</sup> AGM”) of the Company. The Notice of the 39<sup>th</sup> AGM together with the Form of Proxy are set out in the Annual Report 2018 of the Company dispatched together with this Statement/Circular.

Date and time of AGM : Wednesday, 20 March 2019 at 10.00 a.m.  
Place of AGM : Emerald Ballroom, 1<sup>st</sup> Floor, RHR Hotel @ Kajang  
Jalan Semenyih, 43000 Kajang  
Selangor Darul Ehsan

The Form of Proxy must be lodged at the Registered Office of the Company at Suite 1, 5<sup>th</sup> Floor, Wisma MKH, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan, not less than 48 hours before the time stipulated for holding the meeting. The lodging of Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

This Statement/Circular is dated 29 January 2019.

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## DEFINITIONS

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

“Act”	The Malaysian Companies Act, 2016 as amended from time to time and includes any re-enactment thereof
“AGM”	Annual General Meeting
“Board” or “Directors”	The Board of Directors of MKH
“Bursa Securities”	Bursa Malaysia Securities Berhad
“Code”	The Malaysian Code on Take-Overs and Mergers 2016, as amended from time to time and includes any re-enactment thereof
“Constitution”	The Constitution of MKH, as amended from time to time
“EPS”	Earnings Per Share
“Listing Requirements”	The Main Market Listing Requirements of Bursa Securities, and all amendments thereto
"Major Shareholders"	<p>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 amounts of those shares, is</p> <p>(a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the Company; or</p> <p>(b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Company</p> <p>For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act.</p>
“Market Day(s)”	A day on which the stock market of Bursa Securities is open for trading of securities
“MKH” or “the Company”	MKH Berhad (50948-T)
“MKH Group” or “Group”	MKH and its subsidiary companies
“MKH Share(s)” or “Share(s)”	Ordinary shares in MKH
“NA”	Net Asset
“Proposed Adoption of New Constitution”	Proposed adoption of the new Constitution of the Company
“Proposed Renewal of Share Buy-Back”	Proposed renewal of authority for MKH to undertake the Proposed Share Buy-Back

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**DEFINITIONS (Cont'd)**

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

“Proposed Share Buy-Back”	Proposed general mandate from the shareholders of MKH for the Company to purchase its own shares up to a maximum of ten per centum (10%) of the Company’s existing number of shares
“Purchased Shares”	MKH Shares purchased pursuant to the Proposed Share Buy-Back
“RM” or “Sen”	Ringgit Malaysia and sen respectively
“Statement/Circular”	This Statement/Circular dated 29 January 2019
“Treasury Shares”	Purchased Shares which are or will be retained as treasury shares by the Company and shall have the meaning give under Section 127 of the Act

All references to “our Company” and “MKH” in this Statement/Circular is made to MKH Berhad and references to “our Group” are made to our Company and our subsidiaries. All references to “we”, “us”, “our” and “ourselves” are made to the Company, or where the context requires, our Group or our subsidiaries. All reference to “you” in this Statement/Circular is made to our Shareholders.

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 a corporation, unless otherwise specified.

Any reference in this Statement/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 Statement/Circular shall be a reference to Malaysian time, unless otherwise specified.

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**PART A**

**STATEMENT TO SHAREHOLDERS  
IN RELATION TO THE  
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY  
TO PURCHASE ITS OWN SHARES  
("PROPOSED RENEWAL OF SHARE BUY-BACK")**



**MKH BERHAD**

Company No. 50948-T  
(Incorporated in Malaysia)

**Registered Office:**

Suite 1, 5<sup>th</sup> Floor  
Wisma MKH  
Jalan Semenyih  
43000 Kajang  
Selangor Darul Ehsan  
[www.mkhberhad.com](http://www.mkhberhad.com)

Date: 29 January 2019

**Directors:**

Yg. Bhg. Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngai Chong (*Group Executive Chairman*)  
Yg. Bhg. Tan Sri Datuk Chen Lok Loi (*Group Managing Director*)  
Yg. Bhg. Datuk Chen Fook Wah (*Deputy Managing Director*)  
Yg. Bhg. Datuk Mohammad bin Maidon (*Independent Non-Executive Director*)  
Haji Mohammed Chudi bin Haji Ghazali (*Senior Independent Non-Executive Director*)  
Haji Hasan Aziz bin Mohd Johan (*Independent Non-Executive Director*)  
Encik Jeffrey bin Bosra (*Independent Non-Executive Director*)

**To: The Shareholders of MKH Berhad**

Dear Sir/Madam,

**PROPOSED RENEWAL OF SHARE BUY-BACK**

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**1.0 INTRODUCTION**

At the Thirty-Eight (38<sup>th</sup>) AGM of the Company held on 8 March 2018, the Board had obtained your approval to undertake the Proposed Share Buy-Back. This authority shall lapse at the conclusion of the forthcoming 39<sup>th</sup> AGM unless a new mandate is obtained from the shareholders of MKH.

On 28 December 2018, the Company announced to Bursa Securities of its intention to seek the shareholders' approval for the Proposed Renewal of Share Buy-Back at the forthcoming 39<sup>th</sup> AGM of the Company.

The purpose of this Statement is to provide the shareholders of the Company with details of the Proposed Renewal of Share Buy-Back and to seek the approval of the shareholders for the ordinary resolution on the Proposed Renewal of Share Buy-Back to be tabled as Special Business at the forthcoming 39<sup>th</sup> AGM of the Company.

**SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS STATEMENT TOGETHER WITH THE APPENDICES CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK.**

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

The Board is proposing to seek the renewal of the authority for the Company to purchase up to a maximum of ten percent (10%) of the existing number of Shares of the Company as quoted on Bursa Securities. The Proposed Renewal of Share Buy-Back is subject to compliance with Section 127 of the Act and any prevailing laws and regulations issued by the relevant authorities.

As at 31 December 2018, the total number of issued Shares of the Company was 586,548,168 (including 7,494,700 Treasury Shares). Hence, up to 58,654,816 MKH Shares may be purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back.

The authorisation for the Proposed Renewal of Share Buy-Back will be effective immediately upon the passing of the ordinary resolution in relation to the Proposed Renewal of Share Buy-Back and shall continue to be in force until:

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

whichever occurs first.

The approval from the shareholders for the Proposed Renewal of Share Buy-Back does not impose an obligation on the Company to purchase its own Shares but rather it will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the above time period.

The purchase of such MKH Shares will be carried out through Bursa Securities via stockbrokers appointed by the Company.

### **2.1 Maximum Amount Of Funds To Be Allocated And The Source Of Funds**

Pursuant to the Listing Requirements, the maximum amount of funds to be used for the Company to purchase its own Shares shall not exceed the total amount of its retained profits. As at 30 September 2018, the audited retained profits of the Company was RM374,512,623.

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

The actual number of MKH Shares to be purchased, the total amount of funds to be utilised, impact on cash flows and the timing of the purchase(s) will depend on the prevailing equity market conditions, sentiments of the stock market and the available financial resources of the Company at the time of the purchase(s).

### **2.2 Treatment Of Shares Purchased**

In accordance with Section 127 of the Act, the Company would be able to deal with any MKH Shares so purchased by the Company in the following manner:

- (a) to cancel the Purchased Shares so purchased; or
- (b) to retain the Purchased Shares so purchased as Treasury Shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; or

- (c) to retain part of the Purchased Shares so purchased as Treasury Shares and cancel the remainder; or
- (d) to deal in such other manner as the Bursa Securities and such other relevant authorities may allow from time to time.

The decision whether to retain the Purchased Shares as Treasury Shares, or to cancel the Purchased Shares or a combination of both, will be made by the Board at the appropriate time.

If such Purchased Shares were held as Treasury Shares, the rights attaching to them in relation to voting, dividends and participation in any other distribution or otherwise would be suspended and the Treasury Shares would not be taken into account in calculating the number or percentage of Shares or a class of Shares in the Company for any purposes including the determination of substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on resolution(s) at shareholders meetings.

An immediate announcement will be made to Bursa Securities in respect of the intention of the Directors to either resell the Purchased Shares or cancel them.

### **2.3 Purchase/Resale Price**

Pursuant to the Listing Requirements, the Company may only purchase its own Shares on the Bursa Securities at price which are not more than fifteen per centum (15%) above the weighted average market price of MKH Shares for the five (5) Market Days immediately before the purchase(s). In the case of a resale of Treasury Shares, the Treasury Shares may only be resold on Bursa Securities at a price, which is:

- (a) not less than the weighted average market price of MKH Shares for the five (5) Market Days immediately before the resale; or
- (b) at a discount of not more than five per centum (5%) to the weighted average market price of MKH Shares for the five (5) Market Days immediately before the resale provided that:
  - (i) the resale takes place no earlier than thirty (30) days from the date of purchase; and
  - (ii) the resale price is not less than the cost of purchase of the Shares being resold.

### **2.4 Public Shareholding Spread Of MKH**

The Proposed Renewal of Share Buy-Back will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the 25% public shareholding spread as required under paragraph 8.02 (1) of the Listing Requirements.

As at 31 December 2018, the public shareholding spread of the Company based on 579,053,468 (excluding 7,494,700 Treasury Shares) MKH Shares was 43.46%. The public shareholding spread of the Company is expected to reduce to 37.98% assuming the Company implements the Proposed Share Buy-Back in full i.e. up to 10% of the existing number of Shares of the Company with the Shares purchased from public. The Board will ensure that the Company complies with the minimum public shareholding spread of 25% in implementing the Proposed Renewal of Share Buy-Back.



## 2.5 Implication Of The Proposed Renewal of Share Buy-Back In Relation To The Code

Pursuant to Rule 4.01 of the Code which states that if a person, together with persons acting in concert (“PAC”) with him (if any), holding more than thirty-three percent (33%) but less than fifty percent (50%) of the voting Shares of a Company, who as a result of a purchase by the Company of its own voting Shares, increases his holding in any period of six (6) months by additional two percent (2%) or more of the voting Shares or voting rights of the Company, there is an obligation to extend a mandatory take-over offer to acquire the remaining Shares not already held by the said person and the PAC with him.

Based on MKH’s Register of Substantial Shareholders as at 31 December 2018, Chen Choy & Sons Realty Sdn Bhd (“CCSR”), who is a Major Shareholder of MKH and its deemed PAC, namely, Tan Sri Dato’ Chen Kooi Chiew @ Cheng Ngi Chong, Tan Sri Datuk Chen Lok Loi and Datuk Chen Fook Wah, collectively hold 47.19% of the total number of Shares of the Company.

Assuming the Proposed Renewal of Share Buy-Back is implemented in full and all the Purchased Shares are cancelled within a period of six (6) months, the collective shareholdings of CCSR and the PAC in MKH will increase to 51.76% i.e. more than 2%. As a result, there will be an obligation for CCSR and the PAC to undertake the mandatory take-over offer for the remaining MKH Shares not already owned by them.

In this regard, CCSR and the PAC will apply for a waiver under Rule 4.15 of the Code if the obligation is expected to be triggered as a result of the implementation of the Proposed Renewal of Share Buy-Back.

## 2.6 Purchase Of Shares And Resale, Transfer Or Cancellation Of Treasury Shares

The Company has purchased its own Shares in the preceding twelve (12) months and details of the purchases are as follows:-

Date of Purchase	No. of Shares Purchased	Purchase Price (RM)		Total Consideration (RM)
		Lowest	Highest	
14.06.2018	15,000	1.399	1.399	20,989.95
18.06.2018	25,000	1.384	1.384	34,600.00
19.06.2018	8,000	1.380	1.380	11,040.00
20.06.2018	24,500	1.364	1.364	33,418.00
21.06.2018	384,500	1.374	1.374	528,303.00
22.06.2018	587,800	1.397	1.397	821,097.82
25.06.2018	139,700	1.413	1.413	197,458.97
26.06.2018	118,000	1.399	1.400	165,189.38
27.06.2018	116,400	1.400	1.410	162,988.00
28.06.2018	77,200	1.390	1.400	107,388.64
29.06.2018	13,000	1.390	1.400	18,169.93
02.07.2018	131,600	1.380	1.400	182,862.26
03.07.2018	69,100	1.380	1.390	95,635.64
04.07.2018	197,700	1.390	1.400	275,996.24
05.07.2018	46,900	1.390	1.400	65,261.73
06.07.2018	50,800	1.390	1.400	70,685.16
09.07.2018	26,200	1.380	1.390	36,311.68
10.07.2018	76,100	1.380	1.390	105,223.47
11.07.2018	24,400	1.370	1.380	33,670.01
12.07.2018	9,200	1.380	1.390	12,759.48
13.07.2018	11,300	1.380	1.390	15,665.00
16.07.2018	154,100	1.390	1.400	215,164.95
17.07.2018	42,300	1.390	1.400	59,122.92

## 2.6 Purchase Of Shares And Resale, Transfer Or Cancellation Of Treasury Shares (Cont'd)

Date of Purchase	No. of Shares Purchased	Purchase Price (RM)		Total Consideration (RM)
		Lowest	Highest	
18.07.2018	30,000	1.390	1.390	41,700.00
19.07.2018	10,900	1.390	1.400	15,191.29
20.07.2018	20,000	1.400	1.400	28,000.00
31.07.2018	6,300	1.400	1.400	8,820.00
01.08.2018	8,000	1.400	1.400	11,200.00
02.08.2918	3,000	1.390	1.390	4,170.00
03.08.2018	8,000	1,380	1.390	11,060.00
06.08.2018	5,500	1.380	1.380	7,590.00
13.08.2018	10,000	1,380	1.390	13,835.00
14.08.2018	2,800	1.380	1.380	3,864.00
15.08.2018	10,100	1.370	1.380	13,868.95
16.08.2018	4,200	1.370	1.370	5,754.00
21.08.2018	3,000	1.380	1.380	4,140.00
24.08.2018	4,500	1.380	1.380	6,210.00
27.08.2018	26,300	1.360	1.380	35,914.97
28.08.2018	8,100	1.360	1.370	11,040.30
29.08.2018	2,000	1.360	1.360	2,720.00
30.08.2018	17,500	1.350	1.360	23,668.75
03.09.2018	122,800	1.310	1.350	162,666.00
04.09.2018	5,500	1.320	1.330	7,296.00
05.09.2018	2,800	1.330	1.330	3,724.00
06.09.2018	7,600	1.330	1.340	10,128.00
07.09.2018	54,600	1.320	1.330	72,364.78
12.09.2018	16,100	1.310	1.330	21,209.12
13.09.2018	18,400	1.310	1.320	24,142.40
14.09.2018	20,200	1.290	1.310	26,282.22
18.09.2018	12,200	1.290	1.300	15,780.70
19.09.2018	40,200	1.280	1.290	51,589.86
20.09.2018	70,300	1.250	1.280	88,562.90
21.09.2018	9,000	1.250	1.260	11,270.00
25.09.2018	4,000	1.250	1.260	5,010.00
26.09.2018	1,120,300	1.240	1.260	1,400,483.32
27.09.2018	1,100	1.250	1.250	1,375.00
28.09.2018	4,500	1.260	1.260	5,670.00
04.10.2018	8,100	1.250	1.260	10,175.22
05.10.2018	7,900	1.250	1.250	9,875.00
08.10.2018	42,500	1.240	1.240	52,700.00
09.10.2018	16,100	1.230	1.240	19,823.00
10.10.2018	89,600	1.230	1.240	110,555.02
11.10.2018	340,700	1.210	1.240	417,210.77
12.10.2018	58,400	1.220	1.240	71,615.24
15.10.2018	23,000	1.230	1.240	28,349.80
16.10.2018	21,000	1.230	1.230	25,830.00
17.10.2018	9,000	1.240	1.240	11,160.00
19.10.2018	4,400	1.230	1.240	5,441.92
23.10.2018	34,000	1.220	1.230	41,560.00
24.10.2018	20,000	1.220	1.220	24,400.00
25.10.2018	62,000	1.200	1.220	74,901.80
26.10.2018	20,300	1.220	1.230	24,810.58
29.10.2018	45,400	1.190	1.230	54,804.56
30.10.2018	6,600	1.210	1.210	7,986.00
01.11.2018	172,700	1.210	1.240	212,180.71
05.11.2018	50,200	1.230	1.250	62,509.04

## 2.6 Purchase Of Shares And Resale, Transfer Or Cancellation Of Treasury Shares (Cont'd)

Date of Purchase	No. of Shares Purchased	Purchase Price (RM)		Total Consideration (RM)
		Lowest	Highest	
07.11.2018	262,200	1.240	1.250	327,709.96
09.11.2018	191,000	1.230	1.250	237,088.30
12.11.2018	4,500	1.230	1.230	5,535.00
13.11.2018	3,000	1.230	1.230	3,690.00
22.11.2018	500	1.220	1.220	610.00
26.11.2018	4,000	1.230	1.230	4,920.00
27.11.2018	25,000	1.210	1.220	30,340.00
30.11.2018	90,000	1.190	1.210	107,523.00
03.12.2018	263,100	1.190	1.200	313,269.08
04.12.2018	884,000	1.190	1.200	1,058,200.00
05.12.2018	46,900	1.180	1.200	55,581.19
06.12.2018	30,000	1.190	1.200	35,841.60
07.12.2018	60,000	1.190	1.190	71,400.00
10.12.2018	62,400	1.170	1.180	73,448.52
11.12.2018	316,500	1.160	1.180	369,427.80
13.12.2018	5,000	1.170	1.170	5,850.00
14.12.2018	16,900	1.160	1.170	19,724.05
17.12.2018	34,100	1.160	1.160	39,556.00
18.12.2018	52,000	1.150	1.160	59,972.00
19.12.2018	15,300	1.150	1.160	17,614.89
21.12.2018	15,000	1.120	1.120	16,800.00
26.12.2018	40,600	1.110	1.110	45,066.00
31.12.2018	2,200	1.120	1.120	2,464.00

As at 31 December 2018, a total of 7,494,700 MKH Shares were being held as Treasury Shares. The Company has not resold, transferred, cancelled and/or distributed any Treasury Shares as dividends in the preceding twelve (12) months.

## 3.0 RATIONALE AND POTENTIAL ADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

The Proposed Renewal of Share Buy-Back will enable the Company to utilise its surplus financial resources not immediately required for use, to purchase its own Shares. The Proposed Renewal of Share Buy-Back may enhance the EPS and reduce the liquidity level of the Shares of the Company in Bursa Securities, which generally shall have a positive impact on the market price of the Shares of the Company. Other potential advantages of the Proposed Renewal of Share Buy-Back to the Company and its shareholders are as follows:

- (a) to allow the Company to take preventive measures against speculation particularly when its Shares are undervalued which would in turn stabilise the market price of the Shares and hence, enhance investors' confidence;
- (b) when the Shares bought back by the Company are cancelled, shareholders of the Company are likely to enjoy an increase in the value of their investment in the Company as the net EPS of the Company and the Group will increase proportionately; and
- (c) the Purchased Shares may be held as Treasury Shares and distributed to shareholders as dividends and/or resold in the open market with the intention of realising a potential capital gain if the Purchased Shares are resold at price(s) higher than their purchase price(s).

#### 4.0 DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

The potential disadvantages of the Proposed Renewal of Share Buy-Back to the Company and its shareholders are as follows:

- (a) the Proposed Renewal of Share Buy-Back will reduce the financial resources of the Group and may result in the Group foregoing better investment opportunities that may emerge from time to time; and
- (b) the Proposed Renewal of Share Buy-Back will reduce the amount of financial resources available for distribution to shareholders of the Company in the form of cash dividends.

The Proposed Renewal of Share Buy-Back, if implemented, will reduce the financial resources of the Group, but since the amount is not substantial, the Board is of the view that the Proposed Renewal of Share Buy-Back will not affect the furtherance of the Group's business or payment of dividends by the Company. Nevertheless, the Board will be mindful of the interest of MKH and its shareholders in undertaking the Proposed Renewal of Share Buy-Back and in the subsequent cancellation of the Shares purchased.

#### 5.0 EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

##### 5.1 Issued And Paid-Up Share Capital

The effects of the Proposed Renewal of Share Buy-Back on the number of Shares of the Company will depend on the intention of the Board with regards to the treatment of the Purchased Shares. If the Purchased Shares are cancelled, it will result in a reduction on the total number of Shares of the Company.

Conversely, if the Purchased Shares are retained as Treasury Shares, the Proposed Renewal of Share Buy-Back will not have any effect on the issued and paid-up share capital of the Company. Nevertheless, the rights as to voting, dividends and participation in other distributions and otherwise are suspended and the Treasury Shares shall not be taken into account in calculating the number or percentage of Shares for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

For illustration purposes only, the scenario below shows the movement of the number of Shares of our Company as at 31 December 2018 upon the implementation of the Proposed Renewal of Share Buy-Back, assuming that ten per centum (10%) of our Company's existing number of Shares are purchased and cancelled.

	As at 31 December 2018	
	<u>No. of Shares</u>	<u>%</u>
Existing number of Shares*	586,548,168	100.0
Less: Shares purchased amounting to ten per centum (10%) of the existing number of Shares pursuant to the Proposed Renewal of Share Buy-Back	(58,654,816)	10.0
Revised number of Shares in the event that the Purchased Shares are cancelled	527,893,352	90.0

Note:-

- \* The existing number of Shares is inclusive of the Treasury Shares held by the Company. As at 31 December 2018, the number of MKH Shares held as Treasury Shares are 7,494,700, none of which are cancelled.

## **5.2 Earnings**

The effects of the Proposed Renewal of Share Buy-Back on the consolidated earnings of our Group would depend on the purchase prices of the MKH Shares, the effective cost of funding, the number of MKH Shares purchased or any loss in interest income. The revised number of Shares subsequent to the Proposed Renewal of Share Buy-Back will generally have a positive impact, all other things being equal, on the consolidated EPS of the Group.

Assuming that any MKH Shares so purchased are retained as Treasury Shares and resold, the effects on the consolidated earnings of the Company will depend on the actual selling prices, the number of Treasury Shares resold and the effective gain or interest savings arising.

If the MKH Shares so purchased are cancelled, the consolidated EPS of the Group will increase provided the income foregone and interest expense incurred on these Purchased Shares is less than the consolidated EPS prior to such purchase.

## **5.3 Net Assets**

The consolidated net assets per MKH Share may increase or decrease depending on the number of the MKH Shares purchased, the purchase prices of the MKH Shares to be bought back, the effective cost of funding and the treatment of the MKH Shares purchased.

The Proposed Renewal of Share Buy-Back will reduce the net assets per share when the purchase price exceeds the net assets per share at the time of purchase. On the contrary, the net assets per share will increase when the purchase price is less than the net assets per share at the time of purchase.

## **5.4 Working Capital**

The Proposed Renewal of Share Buy-Back, as and when implemented will reduce the working capital and cash flow of the Group, the quantum being dependent on the number of Purchased Shares, the purchase price of MKH Shares and the amount of financial resources to be utilised for the purchase of MKH Shares. However, it is not expected to have a material effect on the working capital and cash flow of the Group.

For Purchased Shares which are retained as Treasury Shares, upon its resale, the working capital and cash flow of the Company will increase. Again, the quantum of the increase in the working capital and cash flow will depend on the actual selling price of the Treasury Shares and the number of Treasury Shares resold.

## **5.5 Dividend Policy**

The Proposed Renewal of Share Buy-Back is not expected to have any material effect on the dividend policy of the Company. The dividend to be declared by the Company in the future, if any, will depend on, amongst others, the profitability and cash flow position of the Group and the Company. Nonetheless, the Treasury Shares purchased may be distributed as dividends to shareholders if the Company so decides.

## **5.6 Directors' And Major Shareholders' Interests**

Save for the proportionate increase in the percentage shareholdings and/or voting rights of the shareholders of the Company as a result of the Purchased Shares, none of our Directors and/or Major Shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back.

## **5.7 Shareholdings Of Directors And/ Or Substantial Shareholders**

The table below illustrates the direct and indirect interests of our Directors and substantial shareholders as at 31 December 2018, based on the assumption that our Company purchases 58,654,816 of its own Shares, representing approximately ten per centum (10%) of our Company's existing number of Shares as at that date, from parties other than our Directors and substantial shareholders.

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The effects of the Proposed Renewal of Share Buy-Back on Directors' and substantial shareholders' shareholdings:-

Name	No. of ordinary shares held							
	As at 31 December 2018				After the Proposed Share Buy-Back			
	Direct	%	Indirect	%	Direct	%	Indirect	%
<b><u>Directors</u></b>								
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong <sup>+</sup>	1,487,080	0.257	251,423,158	43.420	1,487,080	0.282	251,423,158	47.628
Tan Sri Datuk Chen Lok Loi <sup>#</sup>	10,602,844	1.831	244,079,568	42.151	10,602,844	2.009	244,079,568	46.237
Datuk Chen Fook Wah <sup>^</sup>	1,983,911	0.343	236,325,454	40.812	1,983,911	0.376	236,325,454	44.768
Mohammed Chudi bin Haji Ghazali	67,361	0.012	-	-	67,361	0.013	-	-
<b><u>Substantial Shareholders</u></b>								
Chen Choy & Sons Realty Sdn Bhd <sup>*</sup>	58,359,954	10.079	177,965,500	30.734	58,359,954	11.055	177,965,500	33.712
Public Bank Group Officers' Retirement Benefits Fund	53,352,059	9.214	-	-	53,352,059	10.107	-	-
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong <sup>+</sup>	1,487,080	0.257	251,423,158	43.420	1,487,080	0.282	251,423,158	47.628
Tan Sri Datuk Chen Lok Loi <sup>#</sup>	10,602,844	1.831	244,079,568	42.151	10,602,844	2.009	244,079,568	46.237
Datuk Chen Fook Wah <sup>^</sup>	1,983,911	0.343	236,325,454	40.812	1,983,911	0.376	236,325,454	44.768

**Notes:**

<sup>\*</sup> Deemed interest through shares held in nominee companies.

<sup>+</sup> Deemed interest through shares held in Chen Choy & Sons Realty Sdn Bhd ("CCSR"), Lotus Way Sdn Bhd and in a nominee company.

<sup>#</sup> Deemed interest through shares held in CCSR and in a nominee company.

<sup>^</sup> Deemed interest through shares held in CCSR.

## 6.0 HISTORICAL SHARE PRICES

The following table sets out the monthly highest and lowest prices of the Company's Shares traded on Bursa Securities for the past twelve (12) months from January 2018 to December 2018:

	High RM	Low RM
<b>2018</b>		
January	1.86	1.68
February	1.68	1.55
March	1.56	1.41
April	1.44	1.36
May	1.51	1.27
June	1.43	1.32
July	1.47	1.38
August	1.42	1.35
September	1.33	1.25
October	1.30	1.19
November	1.27	1.19
December	1.20	1.12

*(Source: Bloomberg)*

The last transacted market price of MKH Share on Bursa Securities on 17 January 2019, being the last practicable date prior to the printing of this Statement/Circular, was RM1.24.

## 7.0 CONDITIONS AND APPROVALS REQUIRED

The Proposed Renewal of Share Buy-Back is subject to the approval being obtained from the shareholders of MKH at the forthcoming 39<sup>th</sup> AGM and any other relevant authorities, if required. The Proposed Renewal of Share Buy-Back is not conditional upon any other proposal.

## 8.0 DIRECTORS' RECOMMENDATION

Your Board of Directors having considered all aspects of the Proposed Renewal of Share Buy-Back is of the opinion that the said Proposed Renewal of Share Buy-Back is in the best interest of the Company and therefore recommends that you vote in favour of the Ordinary Resolution on the Proposed Renewal of Share Buy-Back to be tabled at the forthcoming 39<sup>th</sup> AGM.

## 9.0 ANNUAL GENERAL MEETING

The notice convening the 39<sup>th</sup> AGM to vote on the resolution pertaining to the Proposed Renewal of Share Buy-Back is set out in the Company's Annual Report 2018 accompanying this Statement/Circular. The 39<sup>th</sup> AGM of the Company will be held at Emerald Ballroom, 1<sup>st</sup> Floor, RHR Hotel @ Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan on Wednesday, 20 March 2019 at 10.00 a.m..



If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the enclosed Form of Proxy in the Annual Report 2018 in accordance with the instruction thereon, to reach the Company's Registered Office at Suite 1, 5<sup>th</sup> Floor, Wisma MKH, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan, not less than 48 hours before the time set for the forthcoming 39<sup>th</sup> AGM. The lodging of Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

## **10.0 FURTHER INFORMATION**

Shareholders are requested to refer to the attached Appendix II for further information.

Yours faithfully  
for and on behalf of the Board  
**MKH BERHAD**

**TAN SRI DATO' CHEN KOOI CHIEW**  
**@ CHENG NGI CHONG**  
Group Executive Chairman

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**PART B**

**PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY  
("PROPOSED ADOPTION OF NEW CONSTITUTION")**



**MKH BERHAD**

Company No. 50948-T  
(Incorporated in Malaysia)

**Registered Office:**

Suite 1, 5<sup>th</sup> Floor  
Wisma MKH  
Jalan Semenyih  
43000 Kajang  
Selangor Darul Ehsan  
[www.mkhberhad.com](http://www.mkhberhad.com)

Date: 29 January 2019

**Directors:**

Yg. Bhg. Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong (*Group Executive Chairman*)  
Yg. Bhg. Tan Sri Datuk Chen Lok Loi (*Group Managing Director*)  
Yg. Bhg. Datuk Chen Fook Wah (*Deputy Managing Director*)  
Yg. Bhg. Datuk Mohammad bin Maidon (*Independent Non-Executive Director*)  
Haji Mohammed Chudi bin Haji Ghazali (*Senior Independent Non-Executive Director*)  
Haji Hasan Aziz bin Mohd Johan (*Independent Non-Executive Director*)  
Encik Jeffrey bin Bosra (*Independent Non-Executive Director*)

**To: The Shareholders of MKH Berhad**

Dear Sir/Madam,

**PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY  
("PROPOSED ADOPTION OF NEW CONSTITUTION")**

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**1. INTRODUCTION**

On 28 December 2018, the Company announced to Bursa Securities of its intention to seek the shareholders' approval for the Proposed Adoption of New Constitution at the forthcoming 39<sup>th</sup> AGM of the Company.

The purpose of this Circular is to provide the shareholders of the Company with details of the Proposed Adoption of New Constitution and to seek the approval of the shareholders for the special resolution under the agenda of Special Business as set out in the Notice of the forthcoming 39<sup>th</sup> AGM of the Company. An extract of the Notice of the 39<sup>th</sup> AGM is enclosed in Appendix III of this Circular for your easy of reference.

**SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED ADOPTION OF NEW CONSTITUTION AT THE FORTHCOMING AGM. THE NOTICE OF AGM AND THE FORM OF PROXY ARE ENCLOSED IN OUR ANNUAL REPORT 2018.**

**2. DETAILS AND RATIONALE FOR THE PROPOSED ADOPTION OF NEW CONSTITUTION**

Pursuant to Section 36 of the Act, the Board proposes to adopt a new Constitution in place of the existing Constitution (Memorandum and Articles of Association) of the Company in its entirety and to substitute the same with a new Constitution of the Company, taking into account the changes to the Act which came into effect on 31 January 2017 and in line with the Listing Requirements. The details of the new Constitution of the Company are as set out in Appendix I of this Circular.

The new Constitution of the Company shall take effect upon the resolution in respect of the Proposed Adoption of New Constitution has been passed by a majority of not less than 75% of the total voting rights of the members who are entitled to vote and do vote in person or by proxy at the forthcoming 39<sup>th</sup> AGM.

The Proposed Adoption of New Constitution is primarily for the purpose of streamlining the Company's existing Constitution to be in line with the Act and Listing Requirements, the prevailing statutory and regulatory requirements and to provide clarity to certain provisions therein.

**3. EFFECTS OF THE PROPOSED ADOPTION OF NEW CONSTITUTION**

The Proposed Adoption of New Constitution will not have any effect on the issued share capital, EPS, NA, gearing and the substantial shareholders' shareholdings of the Company.

**4. APPROVALS REQUIRED**

The Proposed Adoption of New Constitution requires the approval of the shareholders at the forthcoming 39<sup>th</sup> AGM.

**5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS IN THE PROPOSED ADOPTION OF NEW CONSTITUTION**

None of our Directors or Major Shareholders and/or persons connected to them has any interest, direct or indirect, in the Proposed Adoption of New Constitution.

**6. DIRECTORS' RECOMMENDATION**

The Board, having considered all aspects of the Proposed Adoption of New Constitution, is of the opinion that the Proposed Adoption of New Constitution is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the special resolution pertaining to the Proposed Adoption of New Constitution, to be tabled at the forthcoming 39<sup>th</sup> AGM.

**7. ANNUAL GENERAL MEETING**

The notice convening the 39<sup>th</sup> AGM to vote on the resolution pertaining to the Proposed Adoption of New Constitution is set out in the Company's Annual Report 2018 accompanying this Circular. The 39<sup>th</sup> AGM of the Company will be held at Emerald Ballroom, 1<sup>st</sup> Floor, RHR Hotel @ Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan on Wednesday, 20 March 2019 at 10.00 a.m. for the purpose of considering and if thought fit, passing with or without modification the Special Resolution to give effect to the Proposed Adoption of New Constitution.

If you are unable to attend and vote in person at the 39<sup>th</sup> AGM, you are requested to complete, sign and return the enclosed Form of Proxy in the Annual Report 2018 in accordance with the instruction thereon, to reach the Company's Registered Office at Suite 1, 5<sup>th</sup> Floor, Wisma MKH, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan, not less than 48 hours before the time set for the forthcoming 39<sup>th</sup> AGM. The lodging of Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

## **8 FURTHER INFORMATION**

Shareholders are requested to refer to the attached Appendices I and II for further information.

Yours faithfully  
for and on behalf of the Board  
**MKH BERHAD**

**TAN SRI DATO' CHEN KOOI CHIEW**  
**@ CHENG NGI CHONG**  
Group Executive Chairman

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**PROPOSED NEW CONSTITUTION OF THE COMPANY**

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**THE COMPANIES ACT, 2016  
MALAYSIA**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**CONSTITUTION**

**of**

**MKH BERHAD  
Company No. 50948-T**

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**Incorporated on the 27th day of September, 1979**

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**THE COMPANIES ACT, 2016**

**PUBLIC COMPANY LIMITED BY SHARES**

**THE CONSTITUTION OF MKH BERHAD**

1. The name of the Company is **MKH BERHAD**.
2. The Registered Office of the Company will be situated in Malaysia.
3. The objects for which the Company is established are –
  - (1) To acquire by purchase, lease, exchange, hire or otherwise by way of investment or with a view to resale or otherwise any lands and hereditaments of any tenure or any other form of real or personal property, rights or privileges or any interest in the same or in any mortgages, shares and securities, to sell, lease, let, mortgage otherwise dispose of the lands, houses, buildings, hereditaments and other property of the Company to develop and turn to account any land acquired by the Company or in which the Company is interested and in particular by laying out and preparing the same for buildings purposes, constructing, altering, pulling down, decorating, maintaining, furnishing, fitting up and improving buildings and by planting, paving, draining, farming, cultivating, letting on building lease or building agreements and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others.
  - (2) To acquire or otherwise acquire for investment for resale and to traffic in lands, houses, buildings, flats, plantations and immovable property or any description or any interest therein and to create, sell and deal in freehold and leasehold ground rents and generally to acquire, deal in, traffic by way of sale, lease exchange or otherwise, with property of every description, whether for valuable consideration or not.
  - (3) To purchase and sell or otherwise deal in on behalf of any person freehold or other houses property, building or lands or any share or shares interest or interests therein and to transact on commission or otherwise the general business of land, house and real estate agents.



## APPENDIX I

- (4) To carry on business as builders and contractors and to construct, execute, carry out, equip, improve, work, develop administer, maintain, manage or control in the States of Malaya and elsewhere private works, and dwelling houses of all kinds and public works and conveniences of all kinds, which expressions in this Constitution includes railways, tramways, docks, harbours, piers, wharves, canals, reservoirs, embankments, irrigations and reclamation, improvement sewage, drainage, sanitary, water gas, electric, light, telephone, telegraphic, and power supply works and hotels, warehouses, market and public works and conveniences, buildings of every description and for every purposes and any form of construction works or work involving the use of excavation or destruction or demolition of any type of materials whatsoever whether specifically described and referred to herein as public works and conveniences or not and whether of public or private utility.
- (5) To purchase, establish and carry on business as general merchants, manufacturers, importers, commission agents, del credere agents, removers packers storers, storekeepers factors and manufacturers of and dealers in foreign and local produce manufactured goods materials and general merchandise and to import buy prepare manufacture render marketable sell barter exchange pledge charge make advance on and otherwise deal in or turn to account produce goods materials and merchandise generally either in their prepared manufactured or raw-state and to undertake carry on and execute all kinds of financial commercial trading and other manufacturing operations and all business whether wholesale or retail usually carried on by Eastern merchants.
- (6) To purchase, take on lease or otherwise howsoever acquire and to obtain or grant options over traffic and otherwise deal in or turn to account sell grant leases and tenancies of lands, houses, buildings, easements, rights, privileges, concessions and immovable property of any description or tenure whatsoever in any part of the world and every manner of right or interest therein.
- (7) To develop and turn to account any land acquired by or in which the Company is interested and in particularly by laying out and preparing the same for building purposes, constructing, decorating, maintaining, furnishing, fitting up improving altering pulling down and re-erecting or reconstructing buildings and by planting, paving, draining, farming, cultivating, letting on building lease or building agreement and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others.

## APPENDIX I

- (8) To purchase, take on lease, hire or otherwise acquire for purposes of investment in Malaysia or elsewhere any real or personal property of any rights or interests therein, which the Company may think necessary or convenient and in particular any lands, plantations, estates, houses, buildings, flats, factories, warehouses, plant, machinery, patents, concessions, trade marks, trade names, copyrights, licences, stocks, material or property of any description and to work, use, maintain and improve, let, surrender, mortgage, charge, vary or dispose of the same or any other property of the Company, including in respect of any patent or patent rights belonging to the Company, the grant of licences or authorities to any person, corporation or company to work the same.
- (9) To carry on the business of rubber estate owners, rubber planters, millers and manufacturers, brokers, agents, merchants, importers and exporters of an dealers in rubber goods and articles of all kinds or nature and all other business in any way connected with the rubber industry.
- (10) To buy, sell, manufacture, supply, repair, alter and exchange, let on hire, import, export and deal in all kinds of articles and things which may be required for the purposes of any of the said businesses or commonly supplied or dealt in by persons engaged in any such business or which may seem capable of being profitably dealt with in connection with any of the said businesses.
- (11) To carry on the business of garage proprietors, taxicab, omnibus, motor car, lorry and other public or private conveyance proprietors and repairers of machinery vehicles and engine of all kinds, machinists, fitters, galvanisers, enamellers, electroplaters and painters.
- (12) To carry on business as tourist and travel agents and contractors and to facilitate tourism and traveling, and to provide for tourists, travelers, holiday-makers and vacationers, and to promote the provision of all whatsoever amenities conveniences and facilities including passages, tickets, through tickets, circular tickets, sleeping cars and berths, reserved places and carriage and transport of all kinds, including the hire of any form or system of transport.
- (13) To provide hotel and lodging facilities and all other kinds of accommodation, guides, safe-deposits, inquiry bureaus, libraries, baggage transport and otherwise generally to provide all whatsoever amenities requirements and services convenient, expedient and necessary for persons touring, traveling, holding, develop, promote, operate, manage, work and control holiday resorts and camps, vacation centres and to arrange, organize and manage tours of all kinds; to arrange, organize and manage, cruises, journeys, tours, travels, trips, voyages and expeditions, of all kinds, and to promote, organise and manage amusements, carnivals, cinemas, circuses, entertainments, exhibitions, expositions, fairs, festivals, play-ground, theaters, shows, plays, game competitions, contests, races, sports and recreation of all kinds and to provide and manage all whatsoever arenas, courses, courts, fields, gymnasiums halls, pitches, pools, rings, rinks, stadium, tracks and places hereof.

## APPENDIX I

- (14) To carry on the business of and act as factors, brokers, manufacturer's representatives commission insurance and general agents managing agents, financial agents, company promoters, underwriters and dealers in options of every kind and to undertake any business commonly undertaken in connection with all or any of such business.
- (15) To carry on the business of importers and exporters of all kinds of merchandise including fertilizer, tyres, building materials of every description, textiles, photographic goods, electrical goods, watches, motor vehicles and yarns, and prepare, manufacture and render marketable any such commodities and to sell, dispose of and deal in any such commodities either in their raw state or as prepared or manufactured and either by wholesale or retail.
- (16) (i) To carry on in Malaysia or elsewhere all or any one or more of the following businesses, namely the buying, selling, letter on hire, hire purchase, or easy payment system of, manufacturing and contractors of and dealers in household or office furniture and domestic or business appliances, installation fittings, machinery, motor-cars, taxicabs, automobiles, tramcars, chars-a-bancs, motor lorries and wagons and motor-vehicles of all kinds and descriptions, cycles, bicycles, coaches, carriages and all other vehicles of all kinds whatsoever, whether moved, propelled or drawn by motor, steam, oil, petrol, electricity or other power or device, agricultural implements, and any machinery of all sorts, airships, aeroplanes, balloons, and all other machines, vehicles or devices now or hereafter used for travelling by air, and all motors, machinery, mechanical and other parts, tools, plant implements utensils, appliances, apparatus, requisites and accessories for all classes of the abovementioned vehicles or any parts thereof, pianos, furniture, wireless and television receivers, telephone or other apparatus, and all other things of whatsoever nature or description capable of being used therewith or in the manufacture, maintenance and working thereof.
- (16) (ii) To buy, sell, alter, repair, exchange, deal in and finance the sale of furniture, apparatus, machinery, materials, good and articles of every description, to hire out or sell any of the same on the hire purchase system and to carry out by contract or otherwise any work connected therewith.
- (17) To carry on the business of financiers for the promotion of the sale for cash or on credit or on the instalment system, hire purchase, hire agreement or easy payment or otherwise of wireless and television apparatus, radio gramophones, gramophones and electrical equipment and machinery, appliances, requisites, accessories and supplies of every description, and generally any other article or articles which can be advantageously or conveniently dealt with by the Company in connection with or as accessory or cognate to the said business of the Company and in connection therewith or otherwise to lend and advance money to or negotiate loans on behalf of such persons, firms or companies and on such terms as may seem expedient and in particular to or on behalf of persons, firms or companies concerned in any way whatever in the sale or purchase in manner aforesaid of any of the pre-going articles or goods.

## APPENDIX I

- (18) To build, construct, alter, maintain, enlarge, pull down, remove or replace, and to work, manage and control any buildings, offices, factories, mills, shops machinery, engines, roads, highways, viaduct ways, tramways, railways, branches of sidings, bridges, reservoirs, watercourses, wharves, electric works and other works and conveniences which may seem calculated directly or indirectly to advance the interests of the Company and to join with any other person or company in doing any of these things.
- (19) To act as advertising agents and to undertake publicity for making know any products, manufacturers and good in Malaysia or abroad.
- (20) To advance or lend any of the aforesaid capital or other moneys of the Company for the time being to Members depositors and others upon the security of freehold or leasehold property by way of mortgage or charge or upon marketable security, and in particular to advance money to Members depositors and others upon the security of or for the purpose of enabling the person borrowing to erect or purchase, or enlarge or repair any house or buildings, or to purchase the fee simple or any less estate or interest in or to a demise for any term or terms of years of any immovable property in Malaysia or elsewhere upon such terms and upon such conditions as the Company may think fit.
- (21) To carry on all or any of the business of transport, cartage and haulage contractors, garage proprietors, owners and charterers of road vehicles, aircraft and lightermen and carriers of goods and passengers by road, rail, or air, carmen, cartage contractors and agents, forwarding, transport and commission agents, Customs agents, stevedores, wharfingers, cargo superintendents, packers, hauliers, warehousemen, storekeepers, electricians and jobmasters.
- (22)
  - (a) To purchase, take on lease, or otherwise acquire, any mines, mining rights and metalliferous land in Malaysia or elsewhere, and any interest therein, and to explore, work, exercise, develop, and turn to account the same.
  - (b) To crush, win, get, quarry, smelt, calcine, refine, dress, amalgamate, manipulate, and prepare for market, ore, metal and mineral substances of all kinds, and to carry on any other metallurgical operations which may seem conducive to any of the Company's objects.
  - (c) To buy, sell, manufacture and deal in minerals, plant, machinery, implements, conveniences, provisions, and things capable of being used in connection with metallurgical operations, or required by workmen and others employed by the Company.
  - (d) To construct, carry out, maintain, improve, manage, work, control and superintend any roads, ways, tramways, railways, bridges, reservoirs, watercourses, aqueducts, wharves, furnaces, saw-mills, crushing works, hydraulic works, electrical works, factories, warehouses, shops, and other works, and other conveniences which may seem directly or indirectly conducive to any of the objects of the Company, and to contribute, to subsidise, or otherwise aid or take part in any such operations.

## APPENDIX I

- (23) (a) To carry on all or any of the businesses of proprietors of flats, maisonettes, dwelling-houses, shops, offices and clubs, and for these purposes to purchase, take on lease, or otherwise acquire and hold any lands or buildings of any tenure or description whatever situate, or rights or interests therein or connected therewith; to prepare building sites, and to construct, reconstruct, pull down, alter, improve, decorate, furnish and maintain flats, maisonettes, dwelling houses, shops, offices, clubs, buildings, works and conveniences of all kinds; to lay out roads and pleasure gardens and recreation grounds; to plant drain or otherwise improve the land or any part thereof.
  - (b) To manage or let the same or any part thereof for any period, whether belonging to the Company or not, and at such rent and on such conditions as the Company shall think fit; to collect rents and income and to supply to tenants and occupiers and others, light, heat, refreshments, attendants, messengers, waiting-rooms, reading-rooms, meeting-rooms, lavatories, bath houses, laundry conveniences, electric conveniences, garages, recreation facilities and other advantages which from time to time the Company shall consider desirable, or to provide for such management, letting and advantages as aforesaid by employing any person, firm or company to carry out or supply the same or such terms as the Company may think fit.
- (24) To carry on business as stevedores, merchants, carriers by land and air, freight contractors, aircraft owners, warehousemen, wharfingers, bargeowners, lightermen, forwarding agents, goods and other property and ice merchants and refrigerating storekeepers; to purchase, take in exchange, or otherwise acquire and hold any shares or interests in any aircraft or any shares or interests in any aircraft and also shares, stocks and securities of any companies possessed of or interested in any aircraft and to maintain, repair, improve, alter, exchange or let-out to hire or charter and dispose of any shares or securities as aforesaid.
- (25) To build, purchase, take in exchange or otherwise acquire, and hold, rolling stock, or any other craft whatsoever, or any shares, or interests therein, and to maintain, repair, improve alter, sell, exchange, or let out on hire or charter, or otherwise deal with and dispose of any rolling stock or any other craft, and to carry on all or freight contractors, carriers by land, and air, bargeowners, lightermen, forwarding agents, ice merchants, refrigerating storekeepers, warehousemen and wharfingers.
- (26) To carry on business as timber merchants, saw-mill proprietors and timber growers, and to buy, sell, grow, prepare for market, manipulate, import, export, and deal in timber and wood of all kinds, and to manufacture and deal in articles of all kinds in the manufacture of which timber or wood is used, and, so far as may be deemed expedient, the business of general merchants, and to buy, clear, plant and work timber estates, and to carry on any other businesses which may seem to the Company capable of being conveniently carried on in connection with any of the above, or calculated directly or indirectly to render profitable or enhance the value of the Company's property or rights for the time being.
- (27) To carry on the business of a building contractor.

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- (28) To take buy or otherwise acquire shares stocks debentures or other securities issued by any other Company to invest upon or without security and deal with the moneys of the Company in such manner as may from time to time be determined and to hold any such shares securities or investments or at any time or times to sell realise and to reinvest the proceeds.
- (29) To underwrite obtain options over purchase or otherwise acquire hold and grant options over and sell in securities of all kinds, including shares stocks debentures, debenture stock bond and other obligations issued or guaranteed by any government, state public body, company or corporation whatsoever in any part of the world and to exercise or enforce all rights and powers conferred by or incident to the ownership or holding of any such securities.
- (30) To carry on business as capitalists, financiers, concessionaries, miners and merchants and to guarantee or become liable for the payment of money or for the performance of any obligation and to undertake and carry on and execute all kinds of financial, mining, commercial, trading and other operations and to carry on any other business which may seem to be capable of being carried on in connection with any of these objects or be calculated directly or indirectly to enhance the value of or facilitate the realization of or render profitable any of the Company's property or rights.
- (31) To buy, sell, manipulate, import, export and deal in all substances, apparatus and things capable of being used in any such businesses as aforesaid or required by any person having dealings with the Company either by wholesale or retail.
- (32) To carry on the business of engineering in all its branches and the business of iron and steel founders, colliery proprietors smelters drawers of steel copper and other metals, metal stampers and spinners, and manufacturers of and dealers in aeroplanes, locomotives, motor and other vehicles and conveyances, implements and machinery of all kinds, manufacturers of explosives armaments and ammunition of all kinds toolmakers, fitters, brassfounders, metal-workers, millwrights, machinists, iron and steel converters, smiths, wood-workers, builders, painters, metallurgists, gas-makers, printers, carriers and commission and general agents, and to buy, sell, manufacture, repair, convert, alter, let on hire, and deal in iron, steel and other minerals and in vehicles and conveyances, machinery, explosives, armaments, ammunition, implements, stoves, refrigerators, wireless machines and apparatus and hardware of all kind.

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- (33) To carry on the business and industry of manufacturers, importers, exporters and general dealers in machinery, tools equipment and hardware of every description and particularly all such as are requisite for or applicable to all classes of mechanical plant or engineering commercial agricultural and construction work, or for the maintenance and development of such work, and to enter into undertake and carry out all classes of such work including the construction of steam or internal combustion engines, motor-cars, motor-boats, aeroplanes and every class of vehicle and boat; also wireless machines refrigerators, electric, gas and fuel stoves and washing machines and the respective equipment and appliances in connection with any of the foregoing plant and effects or for the purposes of all or any of the business and undertaking capable of being carried on by this Company or any Company in which it may be interested and to manufacture, purchase, acquire and generally deal in all commodities, equipment, utensils, furnishings and effects required by or incidental to or convenient for the use in any such businesses and undertakings.
- (34) To carry on the business of planters and cultivators of and dealers in all kinds and descriptions of produce, including rubber, guttapercha, jelutong, tea, coffee, cinchona, pineapple, coconuts, sugar, sago, tapioca, pepper, gambier, palm oil and other product of the soil and to prepare, manufacture and render marketable any such produce, and to sell, dispose of and deal in any such produce either in its raw state or as prepared or manufactured and either by wholesale or retail.
- (35) To obtain option over purchase or otherwise howsoever acquire and to improve, manage and develop and to grant options and licences over sell and otherwise deal in movable property choses in action and rights of any kind whatsoever in any part of the world.
- (36) To improve, manage, develop, sell, exchange, lease, demise, hire mortgage, charge, enfranchise, dispose of turn to account or otherwise deal with all or any part of the property assets and rights of the Company.
- (37) To vest any real or personal property, rights or interest acquired by or belonging to the Company in any person or Company on behalf of or for the benefit of the Company and with or without any declared trust in favour of the Company.
- (38) To undertake and execute any trust the undertaking whereof may seem desirable and either gratuitously or otherwise.
- (39) To carry on the business of advertising contractors and any other business which may be usefully carried on in connection with such business, and to acquire and undertake the whole or any part of the business, property and liabilities of any person, firm or company carrying on business as such contractors or agents or any other business which may be usefully carried on in connection therewith, and to carry on the business of manufactures of all kinds of apparatus, appliances, plant and material and employed by advertising contractors in their business and to sell, dispose of, and use the same for the purposes of the business of the Company.

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- (40) To purchase or otherwise acquire patents, patent rights, rights of analogous character, brevets d'invention, concessions, licences and the like conferring any exclusive or non-exclusive or limited right to use any invention which may seem capable of being used for any of the purposes of this Company, secret processes, trade marks, copyrights or any concession of any nature from any government or other authority which may be advantageous to this Company, or grant licences in respect of or otherwise turn to account the property, rights or information so acquired.
- (41) To carry on any other business (whether similar to any of the above mentioned business or not) which may seem to the Company capable of being conveniently carried on in connection with the above mentioned business or any of them or calculated directly or indirectly to enhance the value of or render profitable any of the Company's business property or rights.
- (42) To establish agencies and branch business and to procure the Company to be registered and recognised in any part of the world and to regulate carry on or discontinue the same.
- (43) To enter into partnership or arrangement in the nature of a partnership, corporation or union of interests, with any person or persons or corporation engaged or interested or about to become engaged or interested in the carrying on or conduct of any business or enterprise which this Company is authorised to carry on or conduct or from which this Company would or might derive and to regulate carry on or discontinue the same.
- (44) To acquire and undertake the whole or any part of the business property and liabilities of any person or persons, firm or company carrying on any business which the Company is authorised to carry on or possessed of property suitable for the purposes of the Company.
- (45) To amalgamate with any company having objects altogether or in part similar to those of the Company and to enter into partnership or into any arrangement for sharing profits union of interests co-operation joint adventure reciprocal concession or otherwise with any person or persons, firm or company carrying on or engaged in or about to carry on or engage in any business or transaction capable of being conducted so as directly or indirectly to benefit the Company.
- (46) To pay for any property or rights to be acquired by the Company either in cash or by shares (with or without preferred or deferred rights) or any securities which the Company has power to issue and generally on such terms as may be thought fit.
- (47) To draw make accept endorse discount and negotiate cheques promissory notes bills of exchange bills of lading charter-parties warrants debentures and other negotiable or transferable instruments.
- (48) To guarantee or become liable for the payment of money or for the performance of any contract duty or obligation by any person or persons, firm or company.



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- (49) To borrow or raise money with or without security and to secure the payment of money or the performance of any obligation in such manner and upon such terms as may seem expedient and in property assets of the Company both present and future including securities (perpetual or otherwise) or by mortgage charges bills of exchange or promissory notes or by any other instrument or in such purpose to charge all or any part of the undertaking and property assets of the Company both present and future including its uncalled capital and either with or without participation in profits and voting power.
- (50) To sell or dispose of the undertaking property and assets of the Company or any other part thereof at such time in such manner and for such consideration as may be thought fit.
- (51) To establish or promote any other company or companies for the purpose of acquiring the business and undertaking or all or any of the property rights and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company and to acquire and hold any shares or securities of any such company.
- (52) To accept payment for the undertaking or any property rights sold or otherwise disposed of or dealt with by the Company either in cash or by instalments or otherwise or in shares credited as fully or partly paid up in any company or companies with or without deferred or preferential rights in respect of dividends or payment of capital or otherwise or by means of mortgages or by debentures, debenture stock (perpetual or otherwise) or obligations or securities of any company or companies or partly in one mode and partly in another and generally on such terms as the Company may determine.
- (53) To pay all or any part of the expenses of and preliminary and incidental to the promotion formation establishment and registration of the Company and all commission brokerage discount underwriting and other expenses lawfully payable which may be deemed expedient for taking placing or underwriting all or any of the shares or debentures or other obligations of the Company.
- (54) To obtain or in any way assist in obtaining any ordinance or enactment of any legislative authority for enabling this or any other company to carry any of its objects into effect or for effecting any modification of this or any other company's constitution or for any other purpose and to oppose any legislation proposals proceedings schemes or applications whether indicated in this paragraph or not which may seem calculated directly or indirectly to prejudice this or any other company.
- (55) To enter into any arrangements with any governments or authorities supreme municipal local or otherwise that may seem conducive to the Company's objects or any of them and to obtain from any such government or authority any rights privileges and concessions which the Company may think it desirable to obtain and to obtain and to carry out exercise and comply with any such arrangements rights privileges and concessions.

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- (56) To remunerate any person firm or company rendering services to the Company either by the allotment to him or them of shares or securities of the Company credited as paid up in full or in part subject always to the applicable laws and/or regulations or by cash payment or in kind.
- (57) To support and subscribe to any charitable or public object, and any institution, society or club which may be for the benefits of the Company or its employees or may be connected with any town or place where the Company or its employees or may be connected with any town or place where the Company carries on business; to give pensions gratuities or charitable aid to any persons who may have been Director of or may have served the Company or to the wives, children or other relative or dependents of such persons; to make payments towards insurance and to form and contribute to provident and benefit funds for the benefit of any of such persons or of their wives, children or other relatives or dependents.
- (58) To distribute whether upon the winding up of the Company or otherwise all or any of the assets and property of the Company among the Members in specie or in kind or otherwise but so that no distribution amounting to reduction of capital be made without the sanction of the court where necessary.
- (59) To do all or any of the above things in any part of the world on behalf of the Company or on behalf of any other company and as principal agents contractors trustees or otherwise or by or through trustees agents or otherwise and either alone or in conjunction with another or others.
- (60) To do all such other things as are or may be incidental or conducive to the attainment of the preceding objects or any part of them.
- (61) To make donations for patriotic or for charitable purposes.
- (62) To transact any lawful business in aid of Malaysia in the prosecution of any war of hostilities in which Malaysia is engaged.

The objects of the Company as specified in each of the foregoing Clause of this Constitution (except only if and so far as otherwise expressly provided in such paragraph) shall be a separate and distinct objects of the Company and shall not be in any way limited by reference to any other Clauses.

- 4. The Company has the full rights, powers and privileges for the purpose of carrying out the objects as specified under Clause 3 or otherwise permitted by law.
- 5. The liability of the Members of the Company is limited.

**INTERPRETATION & DEFINITIONS**

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

“Act” means the Companies Act, 2016 as amended from time to time and any re-enactment thereof.

“Board” means the board of directors for the time being of the Company.

“Books Closing Date” means the specified time and date set by the Company for the purpose of determining entitlements to dividends, interest or new securities or other distributions or rights of the Company’s shareholders.

“Clause” means a Clause contained in this Constitution as originally framed or as altered from time to time by Special Resolution.

“Company” means MKH BERHAD (Company Registration Number 50948-T).

“Depository” means Bursa Malaysia Depository Sdn Bhd or such other name by which it may be known from time to time.

“Depository Act” means the Securities Industry (Central Depositories) Act 1991 as amended from time to time and any re-enactment thereof.

“Depositor” means a holder of a securities account established by the Depository.

“Deposited Security” shall have the meaning given in Section 2 of the Securities Industry (Central Depositories) Act 1991.

“Director” shall have the meaning given in Section 2 of the Capital Markets and Services Act 2007.

“Exchange” means Bursa Malaysia Securities Berhad or such other name by which it may be known from time to time.

“Exempt authorised nominee” means an authorised nominee defined under the Security Industry (Central Depositories) Act 1991 which is exempted from compliance with the provisions of subsection 25A(1) of the Depository Act.

“Listing Requirements” means Listing Requirements of the Exchange including any amendment thereto that may be made from time to time.

“Market Day” means a day on which the stock market of the Exchange is open for trading in Securities.

“Member/Members” includes a Depositor, who shall be treated as if he were a member pursuant to Section 35 of the Securities Industry (Central Depositories) Act 1991 but excludes the Depository in its capacity as a bare trustee.

“Office” means the registered office for the time of the Company.

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“Official List” means a list specifying all securities which have been admitted for listing on the Exchange and not removed.

“Prescribed Security” means a security which has been prescribed by the Exchange to be deposited with the Depository in accordance with Section 14 of the Securities Industry (Central Depositories) Act, 1991.

“Record of Depositors” means a record provided by the Depository to the Company under Chapter 24.0 of the Rules of the Depository.

“Register” means the Register of Members to be kept pursuant to the Act.

“Rules of the Exchange” means the Rules of Bursa Malaysia Securities Berhad, including any amendment thereto that may be made from time to time.

“Rules of the Depository” shall have the meaning given in Section 2 of the Securities Industry (Central Depositories) Act 1991.

“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.

“Share Seal” means the share seal of the Company.

“Shares” means shares of the Company.

“Securities” shall have the meaning as defined in Section 2 of the Capital Markets and Services Act 2007 or any modification, amendment or re-enactment thereof for the time being in force.

“Securities Account” means an account established by the Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor as permitted under the Depository Act and/or the Rules of the Depository.

“these Clauses” means these Clauses contained in this Constitution as originally framed or as from time to time altered by Special Resolution.

Reference to “writing” shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words 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 these Clauses shall be interpreted in accordance with the provisions of the Interpretation Act, 1967 as amended from time to time and any re-enactment thereto.

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

**SHARES**

7. Subject to the Act and these Clauses and to the provisions of any resolution of the Company, the Directors may allot, grant options over or otherwise dispose of the unissued share capital of the Company to such persons, at such time, on such terms and conditions, with such preferred, deferred or other special rights as they think proper, PROVIDED ALWAYS that:-
- (a) no shares shall be issued which shall have the effect of transferring a controlling interest, in the Company, without the prior approval of the Members in general meeting;
  - (b) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in these Clauses and in the resolution creating the same;
  - (c) every issue of shares or options to employees and/or Directors shall be approved by the Members in general meeting and such approval shall specifically detail the amount of shares or options to be issued to such Director;
  - (d) the rights attaching to share of a class other than ordinary shares shall be set out in these Clauses or expressed in the resolution creating the same; and
  - (e) the Company must ensure that all new issues of securities for which listing is sought are made by way of crediting the securities accounts of the allottees with such securities save and except where it is specifically exempted from compliance with Section 38 of the Securities Industry (Central Depositories) Act, 1991, in which event it shall so similarly be exempted from compliance with these requirements. 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.

However, the Company must not cause or authorise the Registrar to cause the Securities Accounts of the allottees to be credited with the additional shares of the Company until after it has filed with the Exchange an application for admission of such additional shares and been notified by the Exchange that they have been authorised for listing.

The share certificates shall be registered in the name of the Depository by the Company for the purpose of crediting such securities to the Securities Account of the allottees.

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8. Without prejudice to any special rights previously conferred on the holders of any existing shares, but subject to the Act and these Clauses, 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 special resolution determine PROVIDED ALWAYS that:-
  - (a) the holders of preference shares shall have the same rights as the holders of ordinary shares as regards receiving notices, reports and accounts and attending general meetings of the Company but shall only have the right to vote at any meeting convened for the purpose of reducing the capital, or winding up, or disposing of the whole of the Company's property, business and undertaking, or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend on such shares is in arrears for more than six (6) months;
  - (b) the Company shall not unless with the consent of the existing preference shareholders at a class meeting held pursuant to Clause 24 hereof issue further preference capital ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Subject to the Act, any preference shares may be issued on the terms that they are or at the option of the Company are able, to be redeemed; and
  - (c) on a resolution to be decided on a show of hands, a holder of preference shares who is personally present and entitled to vote shall be entitled to one (1) vote.
9. The Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company, nor shall the Company make a loan for any purpose whatsoever on the security of its shares or those of its holding company, but nothing in this Constitution shall prohibit transactions mentioned in the proviso to Section 125 of the Act.
10. In addition to all other powers of paying commissions, the Company (or the Board on behalf of the Company) may exercise the powers conferred by Section 80 of the Act of applying its shares or cash, either directly or indirectly, in paying commissions to persons subscribing or procuring subscriptions for shares of the Company, or agreeing so to do whether absolutely or conditionally, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and shall not exceed ten per cent (10%) of the price at which the shares in respect whereof the commission is paid are issued or an amount equivalent thereto. The Company (or the Board on behalf of the Company) may also on any issue of the shares pay such brokerage as may be lawful.
11. 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 on such share capital as is for the time being paid up for the period, the rate of interest or returns shall not exceed five per centum (5%) per annum subject to the condition and restrictions mentioned in Section 130 of the Act or such other rate as for the time being prescribed; and may charge the interest or returns so paid to the share capital as part of the cost of construction of the works, buildings or plant.

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12. The Company shall duly observe and comply with the provisions of the Act and the Main Market Listing Requirements from time to time prescribed by the Exchange applicable to any allotment of its shares.
13. Except as required by law and as provided under the Rules, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or unit of a share or (except only as by this Constitution or by law otherwise provides) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
14. Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, 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 off those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose off any new share or security 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.
15. Notwithstanding the preceding Clause, the Company may apply to the Exchange for waiver of the convening of an extraordinary general meeting to obtain shareholders' approval for further issues of shares (other than bonus or rights issue) where :-
  - (a) in accordance with the provisions of Section 75 of the Act there is still in effect a resolution approving the issuance of shares by the Company; and
  - (b) the aggregate share issued of which in any one financial year (other than by way of bonus or rights issues) do not exceed ten per cent (10%) of the issued capital of the Company.
16. No person shall exercise any rights of a Member until his name shall have been entered in the Register 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.
17. Capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits.
18. 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 the registered holder of the share, or his legal personal representatives.

**ALLOTMENT OF SECURITIES, DESPATCH OF NOTICES/CERTIFICATES & ETC.**

19. Subject to the provisions of the Act, the Depository Act and the Rules of the Depository, the Company shall within the following period, allot and/or issue securities, despatch notices of allotment to the allottees and make an application for the quotation of such securities :-
- (a) within eight (8) Market Days of the final applications date or such other period as may be prescribed by the Exchange for issues of securities in respect of a public issue;
  - (b) within eight (8) Market Days after the final applications closing date for a rights issue or such other period as may be prescribed or allowed by the Exchange;
  - (c) within eight (8) Market Days after the date of receipt of a notice of the exercise of an employee share option together with the requisite payment in respect of a share scheme for employees, or such other period as may be prescribed or allowed by the Exchange; and
  - (d) within eight (8) Market Days after the date of receipt of a subscription form together with the requisite payment in respect of warrant or other convertible securities, or such other period as may be prescribed or allowed by the Exchange.
20. Subject to the provisions of the Act, the Depository Act and the Rules, if any share certificate shall be defaced or worn out, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the Member, transferee, person entitled, Depository or its nominee company, purchaser, Member company of the Exchange or on behalf of its/their clients as the Directors shall require, and on delivery of the old certificate and on payment of such sum not exceeding Ringgit Malaysia Three (RM3/-) only per certificate or such other sum as may from time to time be permitted by the Exchange as the Directors may determine plus the amount of the proper duty with which each such certificate is chargeable under any law for the time being in force relating to stamps.
21. Nothing in these Clauses shall require the Company to issue under the Seal, its duplicate common seal or its official seal for use outside Malaysia any certificate or other instrument, other than a share certificate, which is not required to be issued by law.
22. Every share certificate shall be sealed in accordance with these Clauses and Section 101 of the Act and shall comply with the requirements of this Constitution, such Section and the Listing Rules of the Exchange.



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23. (1) Where a certificate or other document of title to shares or debentures is lost, destroyed or stolen, the Company shall on payment of a fee not exceeding Ringgit Malaysia Fifty (RM50/-) only issue a duplicate certificate or document in lieu thereof to the owner on his application accompanied by :-
- (a) a statutory declaration that the certificate or document has been lost, destroyed or stolen, and has not been pledged, sold or otherwise disposed of, and, if lost, that proper searches have been made; and
  - (b) an undertaking in writing that if it is found or received by the owner it will be returned to the Company.

The Member or person to whom such duplicate certificate is issued shall pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction, loss or theft and shall bear any loss that may be incurred by the Company as a result of the Company issuing such duplicate certificate to such person.

- (2) Where the value of the shares or debentures represented by the certificate or document is greater than Ringgit Malaysia Five Hundred (RM500/-) only the Directors of the Company may, before accepting an application for the issue of a duplicate certificate or document, require the applicant :-
- (a) to cause an advertisement to be inserted in a newspaper circulating in a place specified by the Directors stating that the certificate or document has been lost or destroyed and that the owner intends after the expiration of fourteen (14) days after the publication of the advertisement to apply to the Company for a duplicate; or
  - (b) to furnish a bond for an amount equal to at least the current market value of the shares or debentures indemnifying the Company against loss following on the production of the original certificate or document;

or may require the applicant to do both of those things.

## ALTERATION OF RIGHTS

24. Notwithstanding Clause 24 hereof, the repayment of preference share capital other than redeemable preference shares, or any other alteration of preference shareholder rights, shall only be made pursuant to a special resolution of the preference shareholders concerned, PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of not less than seventy-five per centum (75%) of the total issued voting rights of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

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25. 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 issued voting rights of the issued shares 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 these Clauses relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two (2) persons at least one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 292 of the Act shall, with such adaptations as are necessary, apply.
26. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

### **CALLS ON SHARES**

27. The Directors may from time to time make such calls upon the Members as the Directors may think fit in respect of the amounts unpaid on their shares and not by the conditions of allotment made payable at fixed times, provided that no call shall be payable at less than one (1) month from the date fixed for the payment of the last preceding call. Except in the case of calls payable at fixed times pursuant to the conditions of allotment, each Member shall be entitled to receive at least fourteen (14) days notice specifying the time or times and place of payment.
28. Any call may be made payable either in one sum or by instalments and each Member upon whom a call is made is liable to pay the amount of the call to the person whose shares have been sold or his executors, administrators or assignees or as he directs 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.
29. Joint-holders of a share shall be jointly and severally liable for the payment of all calls in respect thereof and any interest accrued thereon.
30. 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.
31. Any sum which by the terms of issue of a share is made payable upon allotment or at any fixed date shall for all purposes of these Clauses, be deemed to be a call duly made and payable on such fixed date, and in case of non-payment all the provisions of these Clauses as to payment of interest, forfeiture or otherwise shall apply as if such sum were a call duly made and notified.

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32. If any sum in respect of a call is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest 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 the Directors may waive payment of such interest in whole or in part.
33. No shareholder shall be entitled to receive any dividend or to exercise any privileges as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).
34. 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 be for such advance have become payable, be treated as paid up in the shares in respect of which they have been paid.

## LIEN

35. The Company shall have a first and paramount lien on every share (not fully paid share) for all money called or payable at a fixed time in respect of the particular share and the Company shall also have a first and paramount lien on all shares (other than fully paid shares) registered in the name of a Member (whether solely or jointly with others) for all moneys payable by him or his estate either alone or jointly with any other person, to the Company, but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Constitution. The Company's lien, if any, on a share shall extend to all dividends payable thereon 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.
36. The Company's lien on shares and distribution including dividends from time to time declared in respect of such shares, shall be restricted to unpaid calls and instalments 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.
37. 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, nor 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 lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.

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

**FORFEITURE AND SURRENDER OF SHARES**

39. If any Member fails to pay the whole or any part 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 such call or such part thereof as remains unpaid, together with any interest which may have accrued.
40. The notice shall name a further day (not being less than fourteen (14) days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time and at the place appointed the shares in respect of which such call was made will be liable to be forfeited.
41. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends which shall have been declared on the forfeited shares and not actually paid before the forfeiture. The Directors may accept the surrender of any share liable to be forfeited hereunder.
42. A share so forfeited or surrendered shall become the property of the Company and may be resold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto, or to any other person upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit.
43. If any share is forfeited and sold, any residue after the satisfaction of the unpaid calls and accrued interest and expense, shall be paid to the person whose shares have been forfeited, or his executors, administrators or assignees or as he directs.
44. A person whose shares have been forfeited or surrendered shall cease to be a Member in respect of the forfeited or surrendered shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture or surrender were payable by him to the Company in respect of the shares (together with interest at the rate of eight percent (8%) per annum from the date of forfeiture or surrender 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.

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45. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly forfeited or surrendered or sold to satisfy a lien on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and the Directors may authorise any person to execute a transfer of the share in favour of the person to whom the share is sold or otherwise disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, 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.
46. The provisions of these Clauses 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.
47. When any share has been forfeited in accordance with these Clauses, 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 his 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 Record of Depositors/Register opposite to the share.

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

48. (1) 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 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 owner a transfer of those shares to the Minister charged with responsibility for finance.

### **TRANSFER OF SHARES**

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

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50. Subject to these Clauses, the Act, the Depository Act and the Rules of Depository (with respect to transfer of deposited security), the instrument of transfer shall be executed by or on behalf of the transferor and the transferee and the transferor shall be deemed to remain the holder of the share until the transferee's name is entered in the Register as the holder of that share and/or the Record of Depositors as the case may be, in respect thereof. All transfer of deposited securities shall be effected in accordance with the Act, the Depository Act and the Rules of the Depository.
51. Subject to the Depository Act and Rules of Depository, there shall be no restriction on the transfer of fully paid securities except where required by law.
52. No share shall in any circumstances be transferred to any infant [i.e. below the age of majority of eighteen (18)], bankrupt or person of unsound mind.
53. The Company shall maintain a book called "Register of Transfers" which shall be kept by the Secretary or such other person authorised by the Directors. Particulars of the transfer or transmission of every share shall be entered into the Register of Transfers.
54.
  - (1) The Depository may, in its absolute discretion, refuse to register any transfer that does not comply with the Depository Act and the Rules of the Depository.
  - (2) Subject to these Clauses, the provision of the Act, the Depository Act and the Rules of the Depository (with respect to transfer of deposited security) the Directors may in their absolute discretion and without assigning any reason thereof, decline to register any transfer of shares which are not deposited with the Depository. The registration of any transfer shall be suspended when the register of transfers is closed under Clause 55. In accordance with the provisions of any written law, the Directors may refuse to register the transfer of any shares in their opinion such transfer when registered will result in an interest in the aggregate more than the limit allowed under the Act, the Depository Act and the Rules of the Depository.
  - (3) No share shall be transferred to any partnership or unincorporated association or body, minor, bankrupt or person of unsound mind.
  - (4) Subject to the provision of the Act, the Depository Act and the Rules of Depository, all dealings in respect of deposited securities shall only be effected by the beneficial owners of such deposited securities or an authorised nominee, as the case may be.
  - (5) A Depositor shall not withdraw the securities which have been deposited with the Depository except in such a manner as may be specified in the Rules of the Depository.

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55. The Company may require the Depository to suspend the registration of transfers 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. At least ten (10) Market Days or such number of days as may be prescribed by the Exchange, notice of such closure shall be given to the Exchange stating the period and the purpose or purposes of such closure and the address of the share registry at which documents will be accepted for registration shall be published in a nationally circulated Bahasa Malaysia or English daily newspaper and shall also be given to the Exchange. At least three (3) Market Days prior notice shall be given to the Depository to enable the Depository to prepare the appropriate Record of Depositors, provided that where the Record of Depositors is required in respect of corporate actions, at least seven (7) Market Days prior notice shall be given to the Depository.
56. There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title of any shares, such fee, not exceeding Ringgit Malaysia Three (RM3/-) only as the Directors may from time to time require or prescribe.
57. Nothing in these Clauses shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.
58. Neither the Company nor 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 or registered by the Depository, although the same way, by reason of any fraud or other cause not known to the Company or the Directors or other officers be legally in-operative or insufficient to pass the property in the shares 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, his executors, administrators and assigns (as the case may be) alone 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 hereto.
59. The Depository may (before registering any transfer tendered for registration) give the registered holder notice in writing sent by ordinary post that such instrument of transfer has been lodged and unless such holder objects, the transfer will be registered. If such holder does not lodge an objection in writing at the office within seven (7) days from the posting of such notice to him, he shall be deemed to have accepted the validity of the transfer.

### **TRANSMISSION OF SHARES**

60. In the case of the death of a Member, the persons recognised as having any title to his interest in the shares shall be :-
  - (a) where the deceased was a sole holder, the legal personal representatives; and
  - (b) where the deceased was a joint holder, the survivor,but nothing in this Clause shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

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61. Any person becoming entitled to shares in consequence of the death or bankruptcy (or in the case of a body corporate, liquidation, otherwise than for the purpose of reconstruction or amalgamation) of any Member may upon such evidence of title being produced as may from time to time be required by the Directors (but subject to the provisions hereinafter contained) 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 but the Directors shall in either case have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy. Before recognising any executor or administrator, the Directors may require him to take out probate or letters of administration as evidence PROVIDED ALWAYS that where the share is a Deposited Security, a transfer or withdrawal of the share may be carried out by the person becoming so entitled, subject to the Rules of the Depository.
62. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects PROVIDED that where the share is a deposited security and the person becoming entitled elects to have the share transferred to him, the aforesaid notice must be served by him on the Depository. If he elects to have another person registered he shall testify to his election by executing to that person a transfer of the share in favour of such person. All the limitations, restrictions and provisions of these Clauses 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.
63. A person entitled to shares in consequence of the death or bankruptcy of a Member shall be entitled upon the production of such evidence as may from time to time be properly required by the Directors in that behalf to receive and may give a discharge for all dividends and other moneys payable in respect of the shares, but he shall not be entitled to receive notice of or to attend or vote at any meeting, or, save as aforesaid, to exercise any of the rights and privileges of a Member, unless and until he shall have become a Member in respect of the shares.
64. Where :-
- (a) the securities of the Company are listed on another stock exchange; and
  - (b) the Company is exempted from compliance with Section 14 of the Securities Industry (Central Depositories) Act 1991 or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules of the Depository in respect of such securities,

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



**INFORMATION OF SHAREHOLDING**

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

**SHARE BUY BACK**

66. Subject always to the compliance with the provisions of the Act and all other applicable laws and the requirements of the Exchange for the time being in force, the Company may, with the sanction of the shareholders in a general meeting, purchase its own shares upon and subject to such terms and conditions as the Directors may, in their discretion deem fit, provided that the aggregate number of shares to be acquired does not exceed ten percent (10%) of the issued share capital of the Company, for the time being unless prior approval of the Exchange has been obtained :-
- (i) Where the Company has purchased its own shares in the manner as aforesaid, the Directors may, if the applicable laws for the time being in force so allow :-
    - (a) cancel the shares so purchased;
    - (b) retain the shares so purchased in treasury as treasury shares;
    - (c) retain part of the shares so purchased as treasury shares and cancel the remainder; or
    - (d) deal with the shares so purchased in a manner as may from time to time be prescribed and allowed by law.

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- (ii) Where the shares so purchased or any part thereof is retained as treasury shares, the Directors may at any time subject to the provisions of all applicable laws for the time being in force :-
- (a) distribute the treasury shares as dividends to the Members in a manner as may be allowed by law retain the shares so purchased in treasury as treasury shares;
  - (b) resell the treasury shares on the Exchange in accordance with the relevant rules of the Exchange; or
  - (c) deal with the treasury shares in a manner as may from time to time be prescribed and allowed by law.

The rights attached to shares held as treasury shares shall be suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes.

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

67. The Company may by special resolution convert any paid up shares into stock, and reconvert any stock into paid up shares of any number.
68. The holders of stock 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 the circumstances allow but no stock shall be transferable except in such units as the Directors may from time to time determine.
69. The stock shall confer on the holders thereof respectively the same privileges and advantages, as regards dividends, participation in assets on a winding up, voting at meetings of the Company, and other matters as would have been conferred by the shares from which the stock arose, but so that none of such privileges or advantages except participation in dividends and profits of the Company and in the assets on winding up shall be conferred by such part of stock which would not, if existing shares, have conferred that privileges or advantages.
70. All such provisions of these Clauses 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**

71. 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 number of shares and to carry such rights or to be subject to such conditions or restrictions with respect to dividend, return of capital or otherwise as the Company may direct as the resolution shall prescribe in authorising such increase.
72. Except in 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 instalments, transmissions, forfeiture, lien or otherwise and shall also be subject to the provisions of all applicable laws and/or regulations for the time being in force.

**ALTERATION OF CAPITAL**

73. (1) The Company may from time to time by special resolution to :-
- (a) 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;
  - (b) 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; or
  - (c) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of the Company's share capital by the amount of the shares so cancelled.
- (2) The Company may reduce its share capital in accordance with the provisions of the Act.

**GENERAL MEETINGS**

74. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and not more than fifteen (15) months shall elapse between the date of one annual general meeting and that of the next, but so long as a company holds its first annual general meeting within eighteen (18) months of its incorporation, it need not hold any other annual general meeting in the year of its incorporation or in the year following its incorporation.
75. All general meetings other than annual general meetings shall be called extraordinary general meetings.
76. The Company may convene a meeting of Members at more than one venue using any technology or method that enabled the Members of the Company to participate and to exercise the Members' rights to speak and vote at the meeting. The main venue of the meeting shall be in Malaysia and the Chairman shall be present at that main venue of the meeting.
77. 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 specify the meeting as such and every meeting convened for passing a special resolution shall state the intention to propose such resolution as a special resolution.
78. 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 310(b) of the Act, a meeting may be convened by such requisitionists in the manner provided in Section 311 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.

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79. Subject to the agreements for short notice, every notice convening meetings shall specify the place, the day and the hour of the meeting and shall be given to all Members at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall specify the general nature of such business and shall also be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business and shall be given in the manner hereinafter mentioned to such persons as under the provisions of these Clauses entitled to receive notice of general meeting from the Company. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed, of such notices of all meeting.
80. Subject always to the provisions of Section 303 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 accounts, balance sheets, and the report of the Directors and auditors, the election and remuneration of Directors, and the appointment and fixing of the remuneration of the auditors.
81. In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him, and that a proxy need not also be a Member and that where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
82. The accidental omission to give notice of any meeting to or the non-receipt of the notice of a meeting by, any person entitled to receive notice shall not invalidate any resolution passed or proceedings held at any such meeting.
83. A meeting shall, notwithstanding that it is called by notice shorter than is required by Clause 79 be deemed to be duly called if it is so agreed :-
- (a) in the case of a meeting called as the annual general meeting, by all the Members entitled to attend and vote thereat; or
  - (b) in the case of 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 percent (95%) of the total voting rights of the class of shares giving a right to attend and vote.

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84. Where by the provision of the Act, special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty-eight (28) days before the meeting at which it is moved and the Company shall give its Members notice of any such resolution at the same time and in the same manner as it gives notice of the meeting or, if that is not practicable shall give them notice thereof, in any manner allowed by these Clauses, not less than fourteen (14) days before the meeting, but if after notice of the intention to move such a resolution has been given to the Company, a meeting is held at a date twenty-eight (28) days or less after the notice has been given, the notice although not given to the Company within the time required by this Constitution shall be deemed to be properly given.
85. (1) The Company shall request the Depository in accordance with the Rules of the Depository to issue a Record of Depositors to whom notices of general meetings shall be given by the Company.
- (2) The Company shall also request the Depository in accordance with the Rules of the Depository, to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than three (3) Market Days before the general meeting (hereinafter referred to as “the General Meeting Record of Depositors”).
- (3) Subject to 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 and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.

## **PROCEEDINGS AT GENERAL MEETINGS**

86. All business that is transacted at any extraordinary general meeting and an annual general meeting shall be deemed special, with the exception of the receipts, consideration and adoption of the profit and loss account, the balance sheet and group account (if any) of the Company and the reports of the Directors and auditors and other documents required to be annexed to the balance sheet, the declaration of dividends, the election of Directors and other officers in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.
87. 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, two (2) Members present in person or by proxy, or, in the case of Member which are corporations, present by their representatives appointed pursuant to the provision of these Clauses and entitled to vote shall be a quorum.
88. 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, but if a quorum is not present within half an hour from the time appointed for holding the adjourned meeting the Member or Members present at an adjourned meeting shall form a quorum.

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89. The Chairman of the Board, if any, or in his absence the Deputy Chairman of the Board, if any, shall preside as Chairman at every general meeting, but if there is no such Chairman or Deputy Chairman, or if neither of them is present within fifteen (15) minutes after the time appointed for holding the meeting, or shall decline to take or shall retire from the chair, the Directors present shall choose one of their number to act as Chairman of such meeting. If no Director is present, or each of the Directors present decline to take the chair, the Members present in person or by proxy and entitled to vote shall choose one (1) of their own number to act as Chairman at such meeting.
90. The Chairman 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 twenty-one (21) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
91. Any Member entitled to be present and vote at a meeting may submit any resolution to any general meeting provided that at least five (5) clear days before the day appointed for the meeting he shall have served upon the Company a notice in writing signed by him containing the proposed resolution and stating his intention to submit the same.
92. Upon receipt of any such notice as mentioned in the last preceding Clause the Secretary shall, in any case where the notice of intention is received before the notice of the meeting is issued, include it in the notice of the meeting and shall in any other case issue as quickly as possible to the Members entitled to notice of the meeting notice that such resolution will be proposed.
93. (1) At any general meeting, a resolution put to the vote of the meeting shall be determined by a show of hands of the Members present in person, unless a poll is demanded (before or upon the declaration of the result of a show of hands) :-
- (a) by the Chairman of the meeting;
  - (b) by at least five (5) Members present in person or by proxy;
  - (c) by any Member or Members present in person or by proxy representing not less than one-tenth (1/10) of the total voting rights of all the Members having the right to vote at the meeting, excluding any voting rights attached to any shares in the Company held as treasury shares; or
  - (d) by a Member or Members holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth (1/10) of the total sum paid up on all the shares conferring that right, excluding shares in the Company conferring a right to vote on the resolution which are held as treasury shares.

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

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- (2) Unless a poll is duly demanded in accordance with the foregoing provisions, a declaration by the Chairman that a resolution has been carried or lost or has not been carried by any particular majority, and an entry to that effect in the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number, proportion or validity of the votes, recorded in favour of or against such resolution.
94. If any votes shall have been counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting or at any adjournment thereof and unless in the opinion of the Chairman at the meeting or any adjournment thereof as the case may be, it shall be of sufficient importance to vitiate the result of the voting.
95. If a poll is duly demanded, it shall be taken in such manner as the Chairman 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 Chairman may (and if so directed by the meeting shall) appoint scrutineers for the purposes of a poll, and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the results of the poll.
96. Subject to Clause 93, a poll demanded on any question shall be taken either at once or at such time and place as the Chairman directs not being more than thirty (30) days from the date of the meeting or adjourned meeting at which the poll was demanded.
97. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
98. The demand for a poll may be withdrawn, in which event notice must be given immediately of a poll not taken.

## **VOTE OF MEMBERS**

99. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, as the case may be, shall have a second or casting vote.
100. (1) Subject to Clause 85 and any rights or restrictions for the time being attached to any class or classes of shares, at meetings of Members or classes of Members, each Member shall be entitled to be present and to vote at any general meeting of the Company either personally or by proxy or by attorney and to be reckoned in an quorum in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid. A proxy appointed to attend and vote at the meeting of the Company shall have the same rights as the Member to speak at the meeting.
- (2) Subject to any special rights or restrictions as to voting attached to any class or classes of shares pursuant to these Clauses, on a show of hands every person present who is a Member or a Member's representative or proxy or attorney shall have one (1) vote and in the case of a poll every Member present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for every share held by him. A person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses on a poll in the same way. A proxy shall be entitled to vote on a show of hands on any question at any general meeting.

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- (3) Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.
101. Any corporation which is a Member of the Company may by resolution of its Directors or other governing body authorised 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. 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 it were an individual Member of the Company.
- If the corporation authorises more than one person as its representative :-
- (a) every one of the representative is entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if every one of the representative was an individual Member of the Company;
  - (b) and more than one of the representatives purport to exercise the power under (a) above, then :-
    - (i) if the representatives purport to exercise the power in the same way, the power is treated as exercised in that way; or
    - (ii) if the representatives do not purport to exercise the power in the same way, the power is treated as not exercised.
102. (1) Any Member being of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote by his committee, receiver curator bonis, or other legal guardian or such other person who properly has the management of his estate. Any one of such person may vote either personally or by proxy or by attorney, provided such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty-eight (48) hours before the time appointed for holding the meeting.
- (2) The legal personal representative of a deceased Member or the person entitled under Clause 60 or 61, to any share, in consequence of the death or bankruptcy of any Member may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares, provided that forty-eight (48) hours at least before the time of holding the meeting or adjourned meeting (as the case may be) at which he proposes to vote, he shall satisfy the Directors of his right to any share in consequence of the death or bankruptcy of any Member unless the Directors shall have previously admitted his right to vote in respect thereof.
103. No Member shall be entitled to be present, or to vote at any general meeting or in respect of any poll, either personally or by way of proxy to attorney, or to exercise any privilege as a Member, nor shall he 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.



## APPENDIX I

104. No objection shall be raised in respect of 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 shall be referred to the Chairman at the meeting, whose decision shall be final and conclusive.
105. On a poll, votes may be given either personally or by proxy or attorney and a Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
106. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer. A Member of a Company entitled to attend and vote at a meeting of a Company, or at a meeting of any class of Members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the Member at the meeting. A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy without limitation save that the proxy must be of full age. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy in accordance with the provision of the Act. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
107. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), the exempt authorised nominee may appoint any number of proxy (no limit) in respect of each omnibus account it holds.
108. The instrument appointing a proxy shall be in the following form or in such other form as the Directors may approve, the Act permits or the Exchange may approve :-

### MKH BERHAD

I/We, \_\_\_\_\_, of \_\_\_\_\_,  
being a member/members of the abovementioned Company, hereby appoint  
of or failing him, \_\_\_\_\_ of \_\_\_\_\_  
as my/our proxy to vote for me/us on my/our behalf at the [annual or extraordinary, as the  
case may be] general meeting of the Company, to be held at \_\_\_\_\_ on the  
day of \_\_\_\_\_ 20\_\_\_\_, and at any adjournment thereof for/against\* the resolution(s) to be  
proposed thereat.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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\* Strike out whichever is not desired. (Unless otherwise instructed, the proxy may vote as he thinks fit.)

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109. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the Office or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, at which the person named as proxy in such instrument proposes to vote, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
110. 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 before the commencement of the meeting or adjourned meeting (or in the case of a poll, before the time appointed for the taking of the poll) at which the instrument is used.

## DIRECTORS

111. 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), but in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum the continuing Directors or Director may act for the purpose of filling up such vacancy or vacancies or of summoning a general meeting of the Company.

All Directors shall be entitled to receive notice of and to attend and speak at all general meetings of the Company

112. (1) Subject always to Clause 159, 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 (1/3), shall retire from office. PROVIDED ALWAYS that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.
- (2) The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
113. No person, not being a retiring director, shall be eligible for election to the office of director at any general meeting unless a member intending to propose him for election has, at least eleven (11) clear days before the meeting, left at the registered office of the company 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 of directors shall be served on the registered holders of shares at least seven (7) days before the meeting at which the election is to take place.

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114. The Directors shall have power at any time to appoint any other person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with Clause 111. Any Director so appointed shall hold office only until the conclusion of the next Annual General Meeting and shall be eligible for re-election at such meeting. A Director retiring under this Clause shall not be taken into account in determining the Directors or the number of Directors to retire by rotation at such meeting.
115. 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 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.
116. The Company may from time to time, by ordinary resolution passed at a general meeting, increase or reduce the number of Directors, and may also determine in what rotation the increased or reduced number is to retire from office.
117. (1) A Director may appoint a person approved by a majority of his co-Directors to act as his alternate, provided that such person is not a director of the company and such person does not act as an alternate for more than one director of the Company and that any fee paid by the Company to the alternate shall be deducted from that Director's remuneration. The alternate Director shall be entitled to notices of all meetings and to attend, speak and vote at any such meeting at which his appointor is not present provided that such attendance shall not be regarded for the purpose only for Clause 118. Any appointment so made may be revoked at any time by the appointor or by a majority of the Directors, and any appointment or revocation under this Clause shall be effected by notice in writing to be delivered to the Secretary of the Company. An alternate Director shall ipso facto cease to be an alternate Director if his appointor for any reason ceases to be a Director.
- (2) If any Director retires by rotation and is re-elected by the meeting or is, pursuant to these Clauses, deemed to be re-elected at the meeting at which such retirement took effect, any appointment made by him of an alternate Director which was in force immediately prior to the appointor's retirement shall continue to operate after such re-election as if the appointor had not so retired.
118. 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 these Clauses 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.

## APPENDIX I

119. The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but the total number of Directors shall not at any time exceed the maximum number fixed in accordance with these Clauses. 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.
120. The fees and benefits of the Directors shall be by a fixed sum as shall annually be determined by an ordinary resolution of the Company at the general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office, PROVIDED ALWAYS that :-
- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
  - (b) salaries payable to executive Directors may not include a commission on or percentage of turnover;
  - (c) fees and any benefits payable to Directors shall be subject to resolution passed at a general meeting; and
  - (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.
121. (a) The Directors shall be entitled to be reimbursed for all traveling or such reasonable expenses as may be 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.
- (b) If by arrangement with the other Directors, any Director shall 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 Company 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 that the extra remuneration payable to :-
- (i) a non-executive Director shall not be by way of commission on or percentage of profits or turnover;
  - (ii) an executive Director shall not include a commission on or percentage of turnover.

## **APPENDIX I**

122. The office of Director shall, ipso facto, be vacated if the person holding that office :-
- (a) (not being a managing director holding office as such for a fixed term) resigns his office by notice in writing under his hand sent to or left at the Office;
  - (b) has retired in accordance with this Constitution but is not re-elected;
  - (c) is removed from office in accordance with the Act or the provisions of this Constitution;
  - (d) becomes disqualified from being a director under Sections 198 or 199 of the Act;
  - (e) becomes of unsound mind or bankrupt during his term of office;
  - (f) dies; or
  - (g) is so removed by Ordinary Resolution at a general meeting.

### **POWER AND DUTIES OF DIRECTORS**

123. 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 these Clauses as are not by the Act or by these Clauses required to be exercised or done by the Company in general meeting, subject, nevertheless, to these Clauses, to the provisions of the Act, and to such regulations, being not inconsistent with these Clauses, 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.
124. A Managing Director, or a person performing the functions of a managing director, by whatever name called, shall be subject to the control of the Board of Directors.
125. Subject to the provisions of the Act, the Directors shall not without the prior approval of the Company in general meeting :-
- (a) carry into effect any proposal or execute any transaction for the acquisition of any undertaking or property of a substantial value, or the disposal of a substantial portion of the main undertaking or property of the Company; or
  - (b) exercise any power of the Company to issue shares unless otherwise permitted under the Act; or
  - (c) enter or carry into effect any arrangement or transaction, where a Director or a substantial shareholder of the Company or its holding company, or its subsidiary, or a person connected with a Director or substantial shareholder:-
    - (i) acquires or is to acquire shares or non-cash assets of the requisite value, from the Company; or
    - (ii) disposes of or is to dispose of shares or non-cash assets of the requisite value, to the Company.

## APPENDIX I

126. (1) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or its related companies, PROVIDED ALWAYS that nothing contained in these Clauses shall authorise the Directors to borrow any money or mortgage or charge any of the Company's undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.
- (2) The Directors shall cause a proper register to be kept in accordance with Section 362 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 352 of the Act with regard to the registration of mortgages and charges therein specified and otherwise.
- (3) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.
127. 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, benefits or emoluments to any persons who are or shall have been at any time in the employment or service of the Company or any of its related companies 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 of its related companies, or the wives, widows, families or dependents of any such persons. The Directors may also procure the establishment and subsidization 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 their aforesaid family 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, PROVIDED that any Director holding such salaried employments where the Act requires, shall only be entitled to retain any benefit received by him hereunder after making proper disclosure to the Members of the Company in general meeting.
128. The Directors may from time to time, and at any time, by power of attorney under the Seal appoint any corporation, firm or person or body of persons, whether nominated directly or indirectly by the Directors to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (including power to sub-delegate but not exceeding those vested in or exercisable by the Directors under these Clauses) 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.

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129. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipt for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors may from time to time determine.
130. 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 in any other respect nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established PROVIDED ALWAYS that Sections 221 and 228 of the Act and all other relevant provisions of the Act and these Clauses are complied with.
131. 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.
132. A Director shall at all times act honestly and use reasonable diligence in the discharge of the duties of his office and shall not make use of any information acquired by virtue of his position to gain directly or indirectly, an improper advantage for himself or for any other person or to cause detriment to the Company.
133. Every Director shall give notice to the Company of such events and matters relating to himself as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Act.

## **MINUTES AND REGISTERS**

134. The Directors shall cause minutes to be duly entered in books provided for the purpose :-
- (a) of all appointments of officers;
  - (b) of the names of all the Directors present at each meeting of the Directors and of any Committee of Directors and of the Company in general meeting;
  - (c) of all resolutions and proceedings of general meetings and of meetings of the Directors and Committees of Directors; and
  - (d) of all orders made by the Directors and any Committee of Directors.

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

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135. 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 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 that section.
136. The books containing the minutes of proceedings of any general meeting shall be kept by the Company at the Office, and shall be open to the inspection of any Member without charge and of any other person on payment of Ringgit Malaysia Ten (RM10/-) only, or such lesser sum as the Company requires, for each inspection.
137. The Company shall also keep at the Office, a register which shall be open to the inspection of any Member without charge and to any other person on payment of Ringgit Malaysia Ten (RM10/-) only, or such lesser sum as the Company requires, for each inspection, all such matters required to be so registered under the Act, and in particular :-
- (a) a register of substantial shareholders and of information received in pursuance of the requirements under Section 144 of the Act; and
  - (b) a register of the particulars of each of the Directors' shareholdings and interests as required under Section 59 the Act.

### **PROCEEDINGS OF DIRECTORS**

138. (a) The Directors may meet together for the despatch of business at such time and place, adjourn and otherwise regulate their meetings and proceedings as they think fit. The Directors may hold meeting of Directors or a committee of Directors (as the case may be) at two (2) or more venues within or outside Malaysia using any technology that enable the Directors as a whole to participate for the entire duration of the meeting; all that information and documents for the meeting must be available to all Directors prior to or at the meeting.
- (b) Directors may participate in a meeting of Directors or a committee of Directors (as the case may be) by means of a telephone conference or similar electronic telecommunicating equipment by means of which all persons participating in the meeting are able to hear and speak to each other throughout the meeting. Such participation in meeting shall constitute presence in person at such meeting.
139. Unless otherwise determined by the Directors from time to time, a seven (7) days' notice of all Directors' meeting shall be given to all Directors and their Alternate Directors, who have a registered address in Malaysia, except in the case of emergency, reasonable notice shall be deemed sufficient, PROVIDED ALWAYS it shall not be necessary to give any Director or Alternate Director, who has not got an address in Malaysia, registered with the Company, notice of a meeting of the Directors. The notice of each Directors' meeting shall be deemed to be served in the case of a Director having an address in Peninsular Malaysia, two (2) days following that on which a properly stamped letter containing the notice is posted in Peninsular Malaysia and in the case of a Director having an address in East Malaysia, seven (7) days following that on which a properly stamped letter containing the notice is posted within Peninsular Malaysia.



## APPENDIX I

140. The quorum necessary for the commencement of meeting of the Directors shall be two (2).
141. 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 these Clauses vested in or exercisable by the Directors generally. Subject to these Clauses, questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of an equality of votes the Chairman shall have a second or casting vote except where only two Directors form a quorum and where only two Directors are competent to vote on the question at issue.
142. The remaining Director may continue to act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by or pursuant to the Constitution of the Company, the remaining Director may, except in an emergency, act only for the purpose of increasing the number of Directors to such minimum number, or to summon a general meeting of the Company.
143. A Director may at any time and the Secretary, shall on the requisition of a Director summon a meeting of the Directors.
144. The Directors may from time to time elect and remove a Chairman and Deputy Chairman of the Board of Directors and determine the period for which they are respectively to hold office. The Chairman so elected, or in his absence the Deputy Chairman, shall preside at all meetings of the Directors but if no such Chairman or Deputy Chairman be elected, or if at any meeting the Chairman or Deputy Chairman be not present within fifteen (15) minutes after the time appointed for holding the same, the Directors present shall choose one of their number to act as Chairman of such meeting.
145. A Director who is also an alternate Director shall be entitled, in addition to his own vote, to a separate vote on behalf of the Director whom he is representing.
146. Every Director shall comply with Section 221 of the Act and such other relevant provisions of the Act in connection with the disclosure of his shareholding and interest in any contract or proposed contract with the Company and in connection with the disclosure of 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.
147. Subject always to Section 222 and 229 of the Act, no Director may vote in respect of any other contract or proposed contract or arrangement in which he is directly or indirectly interested nor any contract or proposed contract or arrangement with any other company in which he is interested either as an officer of that other company or as a holder of shares or other securities in that other company.
148. A Director may vote in respect of :-
- (a) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
  - (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.

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

### **COMMITTEES OF DIRECTORS**

150. The Directors may establish any committees, local boards or agencies comprising of one (1) or more persons for managing any of the affairs of the Company, either in Malaysia or elsewhere, and may lay down, vary or annul such rules and regulations as they may think fit for the conduct of the business thereof, and may appoint any persons to be 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 the powers, authorities and discretions vested in the Directors hereunder, with power to sub-delegate, and may authorise the Members of any such committee or local board, 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 dealings in good faith without notice of any such annulment or variation shall be affected thereby.
151. The meetings and proceedings of any such Committee consisting of two (2) or more Members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Clause.
152. Subject to any rules and regulations made hereunder, a committee may meet and adjourn as it thinks proper and questions arising at any meeting shall be determined by a majority of votes of the Members present (if more than one), and in the case of equality of votes the Chairman shall have a second or casting vote.
153. 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 Members to be the Chairman at the meeting.
154. Where two (2) Directors form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue, shall not have a casting vote.

**VALIDATION OF ACTS OF DIRECTORS**

155. 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**

156. A resolution in writing signed or approved by letter, telegram, telex or telefax by the majority of the Directors who are present in Malaysia, 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 but has an alternate who is so present, then such resolution shall also be signed by such alternate, and PROVIDED ALWAYS that the aforementioned resolution has been given to all the Directors and none of the Directors have within a reasonable time communicated to the Company, his preference that a meeting be convened. 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.

**CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR**

157. (1) The Directors may from time to time appoint any one or more of their body to be :-
- (a) Chief Executive Officer; and/or;
  - (b) Managing Director.
- (2) Any such appointment shall be for such period not exceeding five (5) years subject to reappointment on such terms as the Directors may think fit and the Directors shall have the power to revoke such appointment.

The Directors may vest in such Chief Executive Officer and/or Managing Director such powers as the Directors may think fit. The Chief Executive Officer and the Managing Director shall be subject to the control of the Board.

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

## **APPENDIX I**

159. The Chief Executive Officer and the Managing Director shall, while they continue to hold such offices, be subject to retirement by rotation, and they shall be reckoned as Directors for the purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire, and they shall, subject to provisions of any contract between them and the Company, be subject to the same provisions as to resignation and removal as to other Directors of the Company and if they cease to hold the office of Director from any cause, they shall ipso facto and immediately cease to be Chief Executive Officer or Managing Director, as the case may be.

### **ASSOCIATE DIRECTORS**

160. The Directors may from time to time appoint any person or persons to be an associate Director or associate Directors and may from time to time cancel any such appointments. The Directors 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 Directors except by the invitation and with the consent of the Directors.

### **THE SECRETARY**

161. The Secretary shall, in accordance with the Act, be appointed by the Directors for such term, at such remuneration, and upon such conditions as the Directors think fit and any Secretary so appointed may be removed by them but without prejudice to any claim he or they may have for damages for breach of any contract of service with the Company. The Directors may from time to time by resolution appoint a temporary substitute for the Secretary who shall be deemed to be the Secretary during the term of his appointment.

### **SEAL**

162. 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 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 a Director and by the Secretary or by a second Director 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.
163. The Company may also have a Share Seal pursuant to Section 63 of the Act. The Share Seal is a duplicate or facsimile of the Common Seal of the Company with the addition on its face of the words "Share Seal" which is specifically affixed onto certificates that may be issued by the Company for any share, stock, loan stock, debenture as defined in the Act, or other marketable security created or issued by the Company.

**SEAL FOR USE ABROAD**

164. 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 and the powers conferred by the provisions of the Act with regard to the keeping of a branch Register.

**RESERVES**

165. The Directors may, before recommending any dividend, whether preferential or otherwise, set aside out of the profits of the Company such sums as they think proper as a reserve fund to meet depreciation or contingencies, or for equalising dividends or for the payment of special dividends, or for the general liquidation of any debt or liability of the Company, or for repairing, improving or maintaining any of the property of the Company, or for such other purposes (being purposes for which the profits of the Company may lawfully be applied) as the Directors shall in their absolute discretion think conducive to the interest of the Company, and may invest the several sums so set aside upon such investments as they think fit (subject to the provisions of these Clauses) and from time to time vary or realise such investments and dispose of all or any part thereof for the benefit of the Company, and may divide any reserve fund into such special funds as they think fit, with all power to employ the assets constituting the reserve fund in the business of the Company, and that without being bound to keep the same separate from the other assets. The Directors may also, without placing the same to reserve, carry forward any profits which they may think prudent not to divide.

**DIVIDEND**

166. Subject to the Act, the Company may make a distribution to its shareholders out of profits of the Company provided that the Company is solvent :-
- (a) before a distribution is made by the Company to any shareholder, such distribution must be authorised by the Directors. The Directors may authorise a distribution at such time and in such amount as they consider appropriate, if they are satisfied that the Company will be solvent immediately after the distribution is made; and
  - (b) if after a distribution is authorised and before it is made, the Directors cease to be satisfied on reasonable grounds that the Company will be solvent immediately after the distribution is made, the Directors shall take all necessary steps to prevent the distribution from being made.
167. The Directors may fix the time that a distribution is payable and the method of payment. A distribution can be paid in cash, by the issue of shares or other securities, by the grant of options and by the transfer of assets to a shareholder.
168. All dividends shall be declared and paid according to the amounts paid on the shares in respect of which the dividend is paid, but no amount paid on a share in advance of calls shall be treated for the purposes of this Clause as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid on the shares during any part or parts of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share rank for dividend accordingly.

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169. Dividends may be declared in the currency of Malaysia or in any foreign currency and may be paid in the respective currency of the territories in which the Company's registers of shareholders are situated or in one or more other currencies as the Directors may from time to time decide and so that where any dividend is paid in a currency other than that in which it was declared it shall, for the purposes of payment, be converted into such other currency at the rate of exchange ruling on the date when those Members then on the Register or Record of Depositors are declared by the Directors to be entitled to the said dividend or on such other date as the Directors may from time to time decide, such date being not more than thirty (30) days prior to the payment date for the said dividend. All dividends shall be paid after such deduction therefrom of taxation as may properly be made or such (if any) other impost or levy of whatsoever nature as may be required to be made under the laws of any territory where the Company may be resident.
170. The Directors may direct payment or satisfaction of such dividend wholly or partly by the distribution of specific assets and in particular of paid-up shares or debentures of any other company. Where any difficulty arises in regard to such distribution the Directors may settle it 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 upon the footing of the value so fixed in order to adjust the rights of those entitled to participate in the dividend as may seem expedient to the Directors.
171. The Directors may deduct from any dividend payable to any Member in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to such shares. This right shall not extend to any dividend payable in respect of fully paid shares held by a shareholder.
172. All dividends unclaimed for one (1) year after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed or paid by the Company in accordance with the Unclaimed Moneys Act, 1965.
173. Any dividend may be paid by directly crediting the Members' dividend entitlements into their bank accounts as provided to the Central Depository from time to time by electronic transfer or remittance to such accounts or by cheque sent through the post to the registered address, as appears in the Register of Members or the Record of Depositors, of the Member or person entitled thereto. Every such cheque or electronic transfer or remittance shall be made payable to the order of the person to whom it is sent, and payment by electronic transfer or remittance or by cheque shall be a good discharge to the Company of the dividend to which it relates. Every such cheque, electronic transfer or remittance shall be sent at the risk of the person entitled to the money thereby represented.
174. Subject to the provisions of the Act, the Depository Act and the Rules of the Depository, a transfer shall not pass the right to any dividend declared thereon before registration of the transfer.
175. Notwithstanding anything contained in this Constitution, a Depositor's entitlement to dividends, rights issues, bonus issues or any other rights or options in the Company by virtue of any Deposited Securities standing to the credit of his Securities Account shall be subject to the Act, the Depository Act and the Rules of the Depository.

**CAPITALISATION OF PROFITS**

176. Whenever such a resolution as aforesaid is 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, debentures or securities 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 way of crediting the securities accounts of the allottees with such shares or by payment in cash or otherwise as they think fit for the case of shares, or any securities, debentures, becoming distributable in fractions and also to authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up of any further shares 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 capitalized, of the amounts remaining 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.
177. 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 capitalization, 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 capitalized 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**

178. The Directors shall cause proper accounting and other records to be kept and shall distribute copies of balance sheets and other documents as required by the Act and shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting and other records of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or paper of the Company except as conferred by statute or authorised by the Directors or by the Company in general meeting. Subject always to the provisions 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.

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179. The Directors shall from time to time, in accordance with the provisions of the Act, cause to be prepared and laid before the Company in general meeting such financial statements (including every document required by law to be annexed thereto) together with a copy of the auditors' and directors' report respectively relating thereto. The interval between the close of a financial year of the Company and the issue of the annual audited accounts, the directors' and auditors' reports shall not exceed four (4) months. A copy of the annual report, either in printed form or in such other form of electronic media shall not less than twenty-one (21) days before the date of the meeting to be sent to every Member of, and to every holder of debentures of the Company under the provisions of the Act or of this Constitution, provided that this Constitution 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. In the event that these documents are sent in such other form of electronic media and a Member requires a printed form of such documents, the Company shall send such documents to the Member within four (4) Market Days from the date of receipt of the Member's request, or such other period as may be prescribed by the Exchange.
180. 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.

### **AUDIT**

181. Auditors shall be appointed in accordance with the provisions of the Act and their duties regulated in accordance with the Act.
182. 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**

183. Where any accounts, 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 accounts, minute books and other records for so long as the original accounts, minute books and other records are required by the Act to be kept.



**DESTRUCTION OF DOCUMENTS**

184. (1) The Company shall be entitled to destroy :-
- (a) any instrument of transfer which has been registered at any time after six (6) years from the date of its registration;
  - (b) any dividend mandate or any variation or cancellation of it or any notification of change of address, at any time after two (2) years from the date of the recording;
  - (c) any other document on the basis of which any entry in the Register is made, at any time after six (6) years from the date such entry in the Register was first made in respect of such document.
- (2) Every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document destroyed under Clause 184(1) shall be conclusively deemed to have been duly and properly made and that :-
- (a) every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
  - (b) every other document destroyed under Clause 184(1) was a valid and effective document in accordance with its recorded particulars in the books or records of the Company.
- (3) The provisions of Clause 184(1) and 184(2) shall be subject to the following :-
- (a) any document may only be destroyed in good faith and without express notice to the Company that the preservation of such document was relevant to any claim;
  - (b) nothing in such provisions shall be construed to impose on the Company any liability in respect of the destruction of any such document earlier than provided for in Clause 184(1) or in any case where the conditions in such Clause have not been fulfilled;
  - (c) references to the destruction of any document include references to its disposal in any manner;
  - (d) references to documents include (without limitation) any records or copies of documents stored on microfilm, microfiche, any electronic database or any other system of data recording the storage.

**AUTHENTICATION OF DOCUMENTS**

185. 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 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.

**NOTICES**

187. A notice or other document shall be served by the Company or the Secretary on any Member or Director, as the case may be, either personally or by sending it through the post in prepaid letter addressed to such Member or Director at his registered address as appearing in the register of Members or the register of Directors (as the case may be) and the Records of Depositors in Malaysia or (if he has no address within Malaysia) to the address (if any) within Malaysia supplied by him to the Company for the giving of notices to him.
188. A notice or other document if served by post shall be deemed to be served, in the case of a Member or Director having an address for service in Malaysia, two (2) days following that on which a properly stamped letter containing the same is posted within Malaysia, and in the case of a Member or Director having an address for service outside Malaysia, seven (7) days following that on which the letter suitably stamped at airmail rates containing the same is posted within Malaysia. In proving service by post 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.
189.
  - (1) A notice or other document may also be served by the Company or the Secretary on any Director in hard copy, in electronic form or partly in hard copy and partly in electronic form. Notices given in hard copy shall be sent to the Director personally or by post to the address supplied by the Director for such purpose, or if given in electronic form, transmitting to the electronic address provided by the Director for such purpose.
  - (2) A notice or document :-
    - (i) served in hard copy shall be served either personally or by sending it through the post in a prepaid letter or wrapper addressed to such Member at his registered address entered in the Register of Members or Record of Depositors;
    - (ii) publishing on a website of the Company provided that a notification of the publication of the notice or document on the website via hard copy or electronic mail or short messaging service has been given in accordance with the provision of the Act and the Listing Requirements; or
    - (iii) using any other electronic communication platform maintained by the Company or third parties that can host the information in a secure manner for access by the Members provided that a notification of the publication or making available of the notice or document on such electronic communication platform via hard copy or electronic mail or short messaging service has been given to the Members accordingly.
  - (3) The contact details of the Members as provided to the Depository shall be deemed as the last known registered address, mail address and contact number provided by the Members to the Company for purposes of communication with the Members.

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(4) Any notice or document shall be deemed to be served by the Company to a Member :-

(i) where the notice or document is sent in hard copy if by post, on the day the prepaid letter, envelope or wrapper containing such notice or documents is posted. In providing service by post, a letter from the Secretary certifying that the letter, envelope or wrapper containing the notice or document was so addressed and posted to the Member shall be sufficient to prove that the letter, envelope or wrapper was so addressed and posted; or

(ii) where the notice or document is sent by electronic means :-

(a) via electronic mail, at the time of transmission to a Member's or Director's electronic mail address, provided that the Company has record of the electronic mail being sent and that no written notification of delivery failure is received by the Company;

(b) via publication on the Company's website, on the date the notice or document is first made available on the Company's website, provided that the notification on the publication of notice or document on website has been given pursuant to this Clause; or

(c) via electronic communication platform maintained by the Company or third parties, on the date the notice or document is first made available thereon provided the notification on the publication or making available of the notice or document on the relevant electronic platform has been given pursuant to this Clause.

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

(5) Where the Company provides its electronic address in a notice calling a meeting, any document or information relating to proceedings at the meeting including the appointment and termination of a proxy may be sent by the Members through electronic means to that address, subject to any conditions or limitations specified in the notice.

190. All notices shall be given to the persons whose names appear in the Registers and notice so given shall be sufficient notice to all the holders of such shares.

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

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192. Subject always to the provisions of Clause 187, any notice or document in hard copy or electronic form or partly in hard copy and partly in electronic form delivered or sent by post to, or left at, the registered address or electronic address provided by any Member 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.
193. (1) Notice of every general meeting shall be given in any manner herein before authorised to :-
- (a) every Member at his registered address as appearing in the Record of Depositors, as the case may be, in Malaysia, or (if he has no address within Malaysia) to the address, if any, within Malaysia supplied by him to the Company for the giving of notices to him;
  - (b) every person entitled to a share in consequence of the death or bankruptcy of a member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting;
  - (c) the auditor for the time being of the Company; and
  - (d) the Exchange.
- (2) Save as otherwise provided in these Clauses or in the Act, no other person shall be entitled to receive notice of general meetings.
- (3) Any notice on behalf of the Company or of the Board of Directors shall be deemed effectual if it purports to bear the signature of the Secretary or other duly authorised officer of the Company.

## **WINDING UP**

193. If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees 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.
194. Save that this Clause shall be without prejudice to the rights of holders of shares issued upon special terms and conditions, and the following provisions shall apply :-
- (a) if the Company shall be wound up and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding-up, on the shares held by them respectively; and

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- (b) if in a winding-up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed among the Members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively.
195. On a voluntary winding up of the Company, no commission or fee shall be paid to a liquidator without the prior approval of the Members in general meeting. The amount of such commission or fee shall be notified to all Members not less than seven (7) days before the meeting at which it is to be considered.

### SECRECY CLAUSE

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

### INDEMNITY

197. For the purposes of Clause under this Section on Indemnity : -

#### *Definitions*

“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.

“effect insurance” includes pay, whether directly or indirectly, the costs of the insurance; and

“indemnify” includes relieve or excuse from liability, whether before or after the liability arises, and “indemnity” has a corresponding meaning.

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198. Subject to the provisions of the Act, the Company may indemnify an officer or auditor of the Company for any costs incurred by him or the Company in respect of any proceedings : -
- (a) that relate to the liability for any act or omission in his capacity as an officer or auditor; and
  - (b) in which judgment is given in favour of the officer or auditor or in which the officer or auditor is acquitted or is granted relief under this Act, or where proceedings are discontinued or not pursued.
199. Subject to the provisions of the Act, the Company may indemnify an officer or auditor of the Company in respect of : -
- (a) any liability to any person, other than the Company, for any act or omission in his capacity as an officer or auditor;
  - (b) any costs incurred by that Director or officer in defending or settling any claim or proceedings relating to such liability except :-
    - (i) any liability of the Director to pay :-
      - (1) a fine imposed in criminal proceedings; or
      - (2) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature, howsoever arising; or
    - (ii) any liability incurred by the Director : -
      - (1) in defending any criminal proceedings in which he is convicted; or
      - (2) in defending any civil proceedings brought by the Company, or an associated company, in which judgment is given against him; or
  - (c) any costs incurred in connection with an application for relief under the Act.
200. The Company may, with the prior approval of the Board, effect insurance for an officer or auditor of the Company in respect of : -
- (a) civil liability, for any act or omission in his capacity as a Director or officer or auditor; and
  - (b) costs incurred by that officer or auditor in defending or settling any claim or proceeding relating to any such liability; or
  - (c) costs incurred by that officer or auditor in defending or settling any proceedings that have been brought against that person in relation to any act or omission in that person's capacity as an officer or auditor : -
    - (i) in which that person is acquitted;
    - (ii) in which that person is granted relief under the Act; or
    - (iii) where proceedings are discontinued or not pursued.

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201. The provisions of this Clause shall not apply to any civil or criminal liability in respect of a breach by a Director of his duties under Section 213 of the Act.

202. The Directors shall : -

(a) record or cause to be recorded in the minutes of the Board; and

(b) disclose or cause to be disclosed in the directors' report referred to in Section 253 of the Act,

the particulars of any indemnity given, or insurance effected for any officer or auditor of the Company.

### **RECONSTRUCTION**

203. In the case of the sale of the undertaking of the Company, the Directors in the case of a winding up, 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 or the liquidators (as the case may be), 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 such 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 that the Company is in the course of being wound up, such statutory rights (if any) under Section 457 of the Act as are incapable of being varied or excluded by these Clauses.

### **ALTERATION OF CONSTITUTION**

204. The Company shall not delete, amend or add to any of these Clauses which have been previously approved by the Exchange, unless prior written approval has been sought and obtained from the Exchange for such deletion, amendment or addition.

## **EFFECT OF THE LISTING REQUIREMENTS**

205. (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) For the purpose of this Constitution, unless the context otherwise requires, "Listing Requirements" means the Listing Requirements of the Exchange including any amendment to the Listing Requirements that may be made from time to time.

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

206. Notwithstanding this Constitution, the Company shall comply with the provisions of the Act, the Exchange, the Depository Act and such other relevant governing statutes, regulation and rules, as may be amended, modified or varied from time to time, or other directive or requirement imposed by the Act, the Exchange, the Depository Act and other appropriate authorities, to the extent required by law, in respect of all matters where applicable.

If any of the Clause in this Constitution is inconsistent with or in contrary of any of the provisions of the Act other than any replaceable Clause which has been modified, replaced or excluded by the provisions in this Constitution, then : -

- (a) that Clause shall be read down to the extent necessary to comply with the provisions of the Act; and
- (b) that Clause or those portions thereof which are inconsistent with or in contrary of any provision of the Act shall be struck out and deemed not to form part of this Constitution.



**FURTHER INFORMATION****1. DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

As at 17 January 2019, being the last practicable date prior to the printing of this Statement/Circular, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware and have no knowledge of proceedings pending or threatened against our Group, or of any fact likely to give rise to any proceedings, which might materially or adversely affect the business or financial position of our Group.

**3. MATERIAL CONTRACTS**

Save as disclosed below, neither our Company nor our subsidiary companies have entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past two (2) years immediately preceding the date of this Statement/Circular:-

- a) Underwriting Agreement dated 17 April 2017 entered into between our Company and the Joint Underwriters (namely AmInvestment Bank Berhad, Kenanga Investment Bank Berhad, Affin Hwang Investment Bank Berhad, Hong Leong Investment Bank Berhad and RHB Investment Bank Berhad) in relation to the rights with bonus issue for the underwriting of up to 24.70 million rights shares at an underwriting commission of 1.25% of the value of the underwritten shares at the rights issue price.

**4. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection at the Registered Office of the Company at Suite 1, 5<sup>th</sup> Floor, Wisma MKH, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan during normal office hours on any business day falling from the date of this Statement/Circular up to and including the date of the 39<sup>th</sup> AGM:

- (a) Constitution (Memorandum & Articles of Association) of MKH; and
- (b) Audited financial statements of MKH for the past two years ended 30 September 2017 and 30 September 2018; and
- (c) The Underwriting Agreement referred to in Section 3 of this Appendix.

**EXTRACT OF THE NOTICE OF THE 39<sup>TH</sup> ANNUAL GENERAL MEETING**

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**SPECIAL BUSINESS:**

To consider and, if thought fit, to pass with or without modifications, the following Special Resolution:

9. Special Resolution  
Proposed Adoption Of The New Constitution Of The Company

“THAT approval be and is hereby given to revoke the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Appendix I of Part B of the Statement/Circular to Shareholders dated 29 January 2019 accompanying the Company’s Annual Report 2018 for the financial year ended 30 September 2018 be and is hereby adopted as the Constitution of the Company;

AND THAT the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing.”

(Special Resolution)

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