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

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

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused the contents of this Circular/Statement prior to its issuance as they are exempt documents pursuant to Practice Note 18 of Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular/Statement, 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 Circular/Statement.

DeGem Berhad

(Company Number 415726-T)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PART A: PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

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

PART C: PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY

(COLLECTIVELY KNOWN AS "PROPOSALS")

The above Proposals will be tabled as Special Businesses at the forthcoming Twenty-Second ("22nd") Annual General Meeting ("AGM") of DeGem Berhad ("DeGem") which is scheduled to be held at RG Dining, Level R, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 12 June 2019, at 10.30 a.m. or at any adjournment thereof. The Notice of the 22nd AGM together with the Proxy Form are enclosed in the Annual Report 2018 of DeGem, which is despatched together with this Circular/Statement.

A member entitled to attend, speak and vote at the AGM is entitled to appoint a proxy or proxies to attend, speak and vote on his/her behalf. In such event, the Proxy Form should be lodged at the Share Registrar's Office at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor not less than ("forty-eight") 48 hours before the time set for holding of the meeting. The lodging of the Proxy Form shall not preclude you from attending, speaking and voting in person at the AGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form	:	Monday, 10 June 2019 at 10.30 a.m.
Date and time of the 22nd AGM	:	Wednesday, 12 June 2019 at 10.30 a.m. or at any adjournment

This Circular/Statement is dated 30 April 2019

DEFINITIONS

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

"Act"	:	The Companies Act, 2016 as amended from time to time and any re-enactments thereof
"Actual Value"	:	The actual value transacted of each RRPT, from the date on which the existing mandate was obtained up to the LPD before printing of the draft circular.
"AGM"	:	Annual General Meeting
"Board"	:	The Board of Directors of DeGem
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (635998-W)
"Circular"	:	This Circular/Statement dated 30 April 2019
"Constitution"	:	The Constitution of the Company
"Code"	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions, 2016(as amended from time to time and any enactment thereof)
"DeGem" or " Company"	:	DeGem Berhad (415726-T)
"DeGem Group"	:	DeGem and its subsidiary companies
"Director(s)"	:	Has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of DeGem, its subsidiary or holding company or a chief executive officer of DeGem, its subsidiary or holding company
"EPS"	:	Earnings Per Share
"Estimated Value"	:	The estimated value of each RRPT as disclosed in the preceding year's circular to shareholders
"LPD"	:	29 March 2019, being the latest practicable date prior to the printing of this Circular/Statement
"Listing Requirements"	:	Main Market Listing Requirements including any amendment thereto that may be made from time to time.

"Major Shareholder(s)"	:	Means a person who has an interest or interests in one or more voting shares in the Company and the number or the aggregate number of those shares, is: - (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company; and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of DeGem as defined under Paragraph 1.01 of the Listing Requirements or any other Company which is its subsidiary or holding company. For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8 of the Act.
"M&A"	:	Existing Memorandum and Articles of Association of the Company
"NA"	:	Net Assets
"Proposed Adoption"	:	Proposed Adoption of The New Constitution of the Company
"Proposed Renewal of Share Buy-Back Authority"	:	Proposed renewal of authority for DeGem to purchase its own shares of up to the maximum of ten percent (10%) of the issued and paid-up share capital of the Company.
"Purchased Shares"	:	DeGem Shares that are purchased pursuant to the Proposed Renewal of Share Buy-Back Authority
"Person(s) Connected"	:	Person(s) connected with a Director or Major Shareholder(s), who fall under any one of the following categories: - (a) a family member of the said Person; (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary; (c) a partner of the said Person; (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person; (e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act; (f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or (g) a body corporate which is a related corporation of the said Person.
"Proposed Renewal of Shareholders' Mandate"	:	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

"Recurrent Related Party Transactions (RRPT)"	:	Means transactions entered into by DeGem or its subsidiaries which involve the interest, direct or indirect, of Related Parties which are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations of DeGem or its subsidiaries
"Related Party(ies)"	:	Means a Director, Major Shareholder of DeGem or a person connected with such Director or Major Shareholder. For the purpose of this definition, "Director" and "Major Shareholder" have the meanings given in Paragraph 10.02 of the Listing Requirements
"RM and sen"	:	Ringgit Malaysia and sen respectively
"ROE"	:	Return on equity
"Shareholders' Mandate"	:	Shareholders' approval for a general mandate for DeGem Group to enter into Recurrent Related Party Transactions ("RRPT")
"Shares"	:	Fully paid ordinary shares in DeGem
"Stockbroker"	:	A person who is a member of Bursa Securities and a director of company which carries on a business of dealing in securities and is recognised as a member company by Bursa Securities
"Treasury Shares"	:	DeGem Shares purchased by the Company which shall be retained in treasury and shall have the meaning given under Section 127 of the Act

Words incorporate the singular shall, where applicable, include the plural and vice versa and words incorporate 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 Circular/Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular/Statement shall be a reference to Malaysian time, unless otherwise stated.

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DeGem Berhad

(Company Number 415726-T)
(Incorporated in Malaysia)

Registered Office:
No. 42, 1st Floor,
Jalan Maaroof,
Bangsar Baru,
59100 Kuala Lumpur

Date: 30 April 2019

Board of Directors:

Dato' Hasan bin M. Taib	*(Independent Non-Executive Chairman)*
Mr. Choong Kai Fatt	*(Executive Director)*
Mr. Choong Khoi Onn	*(Executive Director)*
Mr. Choong Kai Soon	*(Executive Director)*
Mr. Choong Kay Cheong	*(Executive Director)*
Mr. Leou Thiam Lai	*(Senior Independent Non-Executive Director)*
Datuk Zainun Aishah binti Ahmad	*(Independent Non-Executive Director)*
Dato' Koh Hong Sun	*(Independent Non-Executive Director)*

To: The Shareholders of DeGem Berhad

Dear Sir/Madam,

PART A: PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE
PART B: PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY
PART C: PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY

1. INTRODUCTION

At the 21st AGM of DeGem held on 7 June 2018, the shareholders had inter-alia, granted a mandate for DeGem to enter into RRPT based on commercial terms that are not more favorable to the Related Parties than those generally available to the public.

The authority conferred by the said shareholders mandate shall in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 22nd AGM unless authority for its renewal is obtained from the shareholders of DeGem at the 22nd AGM.

On 5 April 2019, the Company announced that DeGem is proposing to seek approval of its shareholders' for the resolutions of the following proposals:-

(a) Proposed Renewal of Shareholders Mandate;
(b) Proposed Renewal of Share Buy-Back Authority; and
(c) Proposed Adoption of the New Constitution of the Company

The purpose of this Circular/Statement is to provide you with details of the Proposals and to seek your approval for the Ordinary and Special Resolution(s) pertaining to the Proposals under the agenda of Special Business to be tabled at the forthcoming AGM of the Company. The Notice of the forthcoming AGM together with the Proxy Form are enclosed in the Annual Report 2018 of the Company for the financial year ended 31 December 2018

SHAREHOLDERS OF DEGEM ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS AT THE FORTHCOMING AGM.

PART A

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

1. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

1.1 Provisions Under the Listing Requirements

Under Paragraph 10.09 (2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders for RRPT subject to the following: -

(a) the transactions are in the ordinary course of business and are on terms not more favorable to the related party than those generally available to the public;

(b) the Shareholders' Mandate is subject to annual renewal and disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year where the aggregate value is equal to or more than the below threshold :-

(i) in relation to a listed issuer with a share capital of RM 60.0 million & above:-

1. the consideration, value of the assets, capital outlay, or costs of the RRPT is RM1.0 million or more; or
2. the percentage ratio of such RRPT is 1% or more,

whichever is the higher;

OR

(ii) in relation to a listed issuer with a share capital which is less than RM 60.0 million:-

1. the consideration, value of the assets, capital outlay, or costs of the RRPT is RM1.0 million or more; or
2. the percentage ratio of such RRPT is 1% or more,

whichever is the lower.

(c) the listed issuer's circular to shareholders for the Shareholders' Mandate includes the information as may be prescribed by Bursa Securities, together with a checklist showing compliances with such information when submitting to Bursa Securities;

(d) in a meeting to obtain the Shareholders' Mandate, interested Director, interested Major Shareholder or interested person connected with a Director or Major Shareholder; and where it involves the interest of an interested person connected with a Director or Major Shareholder, such Director, or Major Shareholder, must not vote on the resolution approving the transactions. An interested Director or interested Major Shareholder must also ensure that persons connected with him abstain from voting on the resolution approving the transactions; and

(e) the listed issuer immediately announces to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the listed company, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the Circular by 10% or more and must include information as may be prescribed by Bursa Securities in its announcement.

Where the Company has procured the Shareholders' Mandate pursuant to the above, the provision of Paragraph 10.08 of the Listing Requirements shall not apply during the period of validity of the Shareholders' Mandate.

1.2 Validity Period of the Proposed Shareholder's Mandate

The Proposed Renewal of Shareholders' Mandate is subject to annual renewal and will continue to be in force until: -

(a) the conclusion of the next AGM of the Company following this AGM at which the Renewal of Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM; or

(b) the expiration of the period within which the next AGM to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) is revoked or varied by resolution passed by the shareholders of the Company in a General Meeting,

whichever is earlier.

1.3 Principal Activities Of DeGem Group

The principal activities of DeGem are those of Investment holding and provision of management services.

The principal activities of the subsidiary companies are as follows: -

Name of Subsidiary	**Principal Activities**	**Shareholdings**
Subsidiaries of DeGem Berhad		
P.Y.T. Jewel & Time Sdn. Bhd.	Investment holding and trading in gold and jewellery	100%
Diamond & Platinum Sdn. Bhd.	Trading in diamonds and jewellery	100%
Jewelmart International Sdn. Bhd.	Investment holding	100%
Subsidiaries of P.Y.T. Jewel & Time Sdn. Bhd.		
DeGem Masterpiece Sdn. Bhd.	Investment holding and trading in gold and jewellery	100%
DeGem Prestige Sdn. Bhd.	Trading in gold and jewellery	90%
Inticraft Sdn. Bhd.	Manufacturing and trading in gold and jewellery	100%
Tong Yek Jewellers Sdn. Bhd.	Investment holding and provision of management services	100%
Diamond Mart Sdn. Bhd.	Property investment	100%
DeGem Capital Sdn. Bhd.	Investment holding and trading in gold medals and badges	100%
Depaddle Sdn. Bhd.	Trading in diamonds and jewellery	100%
DeGem Diamond Collection Sdn. Bhd. **(Subsidiary of Tong Yek Jewellers Sdn. Bhd.)**	Trading in diamonds and jewellery	100%
Telenaga Sdn. Bhd. **(Subsidiary of DeGem Masterpiece Sdn. Bhd.)**	Property investment	100%
Titanpuri Sdn. Bhd. **(Subsidiary of DeGem Capital Sdn. Bhd.)**	Trading in gold medals and badges	80%
Solireno Sdn. Bhd. **(Subsidiary of Inticraft Sdn. Bhd.)**	Trading and manufacture of gold and jewellery	70%
Subsidiaries of Diamond & Platinum Sdn. Bhd.		
Diamond & Platinum (B) Sdn Bhd	Trading in diamonds and jewellery	100%
Subsidiaries of Jewelmart International Sdn. Bhd.		
Fareway International Limited	Trading in gold and jewellery	100%
DeGem International Pte. Ltd.	Trading in gold and jewellery and investment holding	100%
DeGem Prestige Pte. Ltd.	Trading in diamonds and jewellery	100%

It is envisaged that in the normal course of DeGem Group's businesses, transactions of a revenue or trading nature between companies in DeGem Group and the Related Parties are likely to occur, and which are necessary for its day-to-day operations. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

In view of the time-sensitive, confidential and frequent nature of such RRPT, the Board is seeking approval from the shareholders of DeGem Group at the forthcoming 22nd AGM for a Renewal of Shareholders' Mandate for DeGem Group to enter into transactions in the normal course of business with the class of Related Parties set out in Section 1.4 below, provided such transactions are entered into at arm's length and on normal commercial terms which are not more favorable to the Related Parties than those generally available to the public and which will not be to the detriment of the minority shareholders. The RRPT will also be subject to the review procedures set out in Section 1.8 below.

1.4 The Class of Related Parties with Whom the Transactions Will Be Carried Out

The Proposed Renewal of Shareholders' Mandate would apply to transactions with Related Parties comprising Directors or Major Shareholders of DeGem or persons connected with such interested Directors or interested Major Shareholders and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Director or Major Shareholder of DeGem or any other company which is its subsidiary.

Nature of relationship between DeGem Group and the transacting parties

Companies within DeGem Group	**Transacting parties**	**Interested parties**	**Nature of Transaction**	**Nature of relationship**	
				Director	**Shareholder**
Diamond & Platinum Sdn. Bhd.	Mr. Choong Kai Soon Mr. Choong Sin Cheong	Mr. Choong Kai Soon (N1) Mr. Choong Sin Cheong	Rental of premises (N3)	Mr. Choong Kai Soon and Mr. Choong Sin Cheong are the joint owner of the property	-
Diamond & Platinum Sdn. Bhd.	Legion Master Sdn. Bhd	Mr. Choong Kai Fatt (N1) Mr. Choong Kai Soon(N1) Mr. Choong Khoi Onn(N1) Mr. Choong Kay Cheong (N1) Mr. Choong Sin Cheong	Rental of premises (N4)	Mr. Choong Kai Fatt, Mr. Choong Kai Soon, Mr. Choong Khoi Onn, are the Directors of Legion Master Sdn. Bhd. Mr. Choong Kai Fatt, Mr. Choong Kai Soon, Mr. Choong Khoi Onn, Mr. Choong Kay Cheong, Mr. Choong Sin Cheong are the Directors of Diamond & Platinum Sdn. Bhd.	Mr. Choong Kai Fatt, Mr. Choong Kai Soon, Mr. Choong Khoi Onn, Mr. Choong Kay Cheong, Mr. Choong Sin Cheong and Mdm. Liew Chin Fong are the shareholders in Legion Master Sdn. Bhd. P.Y.T. Jewel & Time Sdn. Bhd. holds 60% equity interest in Diamond & Platinum Sdn. Bhd., which in turn is a wholly owned subsidiary of DeGem. DeGem holds 40% equity interest in Diamond & Platinum Sdn. Bhd., which in turn is a wholly owned subsidiary of DeGem.

DeGem Masterpiece Sdn. Bhd.	Gem Fever International Co. Ltd.	Mr. Choong Kai Soon(N1) Mr. Choong Jia Chen (N2)	Purchase of gemstone and jewellery from Gem Fever International Co. Ltd.	Mr. Choong Jia Chen is the son of Mr. Choong Kai Soon. Mr. Choong Jia Chen is the sole director of Gem Fever International Co. Ltd.	Mr. Choong Jia Chen holds 1 share in Gem Fever International Co. Ltd.
Fareway International Ltd. ("Fareway")	Gem Fever International Co. Ltd.	Mr. Choong Kai Soon (N1) Mr. Choong Jia Chen (N2)	Purchase of gemstone and jewellery from Gem Fever International Co. Ltd.	Mr. Choong Jia Chen is the son of Mr. Choong Kai Soon. Mr. Choong Jia Chen is the sole director of Gem Fever International Co. Ltd.	Mr. Choong Jia Chen holds 1 share in Gem Fever International Co. Ltd.
Fareway International Ltd. ("Fareway")	Gem Fever International Co. Ltd.	Mr. Choong Kai Soon (N1) Mr. Choong Jia Chen (N2)	Sale of gemstone and jewellery from Fareway International Ltd.	Mr. Choong Jia Chen is the son of Mr. Choong Kai Soon. Mr. Choong Jia Chen is the sole director of Gem Fever International Co. Ltd.	Mr. Choong Jia Chen holds 1 share in Gem Fever International Co. Ltd.

Notes:

N1 Director of DeGem
N2 Mr. Choong Jia Chen is the son of Mr. Choong Kai Soon.
N3 & N4 Rental of Premises

Notes	***Lessor***	***Lessee***	***Premise Type***	***Address***	***Area (square feet)***	***Monthly Rental***
N3	Joint Owner *Mr. Choong Kai Soon* *Mr. Choong Sin Cheong*	*Diamond & Platinum Sdn. Bhd.*	*Double storey terrace house*	*No. 1, Lorong Kristal 7E/K59, Bandar Parklands,* *42100 Klang, Selangor*	*5,337*	*RM2,000*
N4	*Legion Master Sdn. Bhd.*	*Diamond & Platinum Sdn. Bhd.*	*Retail Lot*	*Lot GF 107 & 108 Queensbay Mall, Persiaran Bayan Indah Penang*	*Lot 107- 385* *Lot 108-385*	*RM17,000*

1.5 The Nature of The Transaction Contemplated Under the Mandate and Estimated Value

The types of RRPT to be covered by the Proposed Renewal of Shareholders' Mandate relate principally to trading of jewellery in the ordinary course of DeGem Group's businesses and rental of premises.

In the course of DeGem Group's businesses, it is anticipated that the Group may enter into transactions with Related Parties which will include the provision by the companies in the DeGem Group to, or receipt from Related Parties of, trading of jewellery with the Related Parties or companies in the DeGem Group, which are necessary for its day-to-day operations.

Proposed Shareholders' Mandate

The Company is seeking a Renewal of Shareholders' Mandate to enable DeGem Group to undertake transactions involving the following: -

Nature of Transactions	**Companies within DeGem Group**	**Transacting parties**	**#Existing Mandate**		***Estimated Value of the transaction during the validity period of the mandate from 12 June 2019 (date of AGM) to the next AGM (RM)**
			Estimated Value as disclosed in preceding year's Circular dated 30 April 2018 (RM)*	**Actual Value transacted since last AGM till 29 March 2019 (LPD)(RM)**	
Rental of premises	Diamond & Platinum Sdn. Bhd.	Mr. Choong Kai Soon Mr. Choong Sin Cheong	RM24,000.00	RM20,000.00	RM30,000.00
Rental of premises	Diamond & Platinum Sdn. Bhd.	Legion Master Sdn. Bhd	RM204,000.00	RM170,000.00	RM250,000.00
Purchase of gemstone and jewellery	DeGem Masterpiece Sdn. Bhd.	Gem Fever International Co. Ltd.	RM3.5 million	RM402,443.00	RM3.0 million
Purchase of gemstone and jewellery	Fareway International Ltd. ("Fareway")	Gem Fever International Co. Ltd.	NIL	NIL	USD500,000.00
Sale of gemstone and jewellery.	Fareway International Ltd. ("Fareway")	Gem Fever International Co. Ltd.	USD 148,000	USD105,380	USD500,000.00

Additional information: -

There was no deviation of the Actual value exceeding the estimated value by 10% or more in the Existing Mandate.

* The transaction values are estimated based on the information available at the point of estimation. Due to the nature of the transactions, the actual value of transactions may vary from the estimated value disclosed above. Disclosure will be made in the next Annual Report of the Company of the actual aggregate value of transactions contemplated under the Proposed Renewal of Shareholders' Mandate during the financial year. The estimated value of transactions is based on past historical transactions as well as tenancy agreements entered and expected to be entered with the Related Parties. The estimated value of transactions is calculated based on a 12 months' period.

Amount Due and Owing to DeGem Group by The Related Parties

There were no amounts due and owing to DeGem Group by the Related Parties pursuant to the RRPT which exceeded the credit terms as at 31 December 2018.

1.6 Shareholdings of Interested Directors And/or Major And/or Persons Connected with Directors and Major Shareholders

The direct and indirect interest of the interested Directors and/or Major Shareholders and/or persons connected with a Director or Major Shareholder in DeGem as at 29 March 2019 are set out below: -

	← Direct →		← Indirect →	
Director/Major Shareholder/Persons Connected	**No. of Shares**	**%**	**No. of Shares**	**%**
Interested Directors of DeGem				
Choong Kai Fatt	-	-	76,968,634*	58.83
Choong Kai Soon	-	-	77,367,234*#	59.13
Choong Kay Cheong	2,508,000	1.92	76,968,634*	58.83
Choong Khoi Onn	760,000	0.58	76,968,634*	58.83
Interested Major Shareholders of DeGem				
Legion Master Sdn. Bhd.	76,968,634	58.83	-	-
Persons Connected				
Choong Sin Cheong	2,500,000	1.91	76,968,634*	58.83
Yeoh Mooi Kim **	398,600	0.30	-	-

Notes:

* *Deemed interested by virtue of his direct/indirect shareholdings in Legion Master Sdn. Bhd.*

\# *Deemed interest through his spouse's shareholding by virtue of Section 59(11) (c) of the Companies Act, 2016.*

** *Spouse of Choong Kai Soon*

1.7 The Rationale For, And the Benefit To, DeGem Group for Transacting with Related Party

The RRPT entered or to be entered into by DeGem Group are all in the ordinary course of business. These are recurring transactions of a revenue or trading nature which are necessary for its day-to-day operations and are in the ordinary course of business of the Group which are likely to occur with some degree of frequency and arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval on a case by case basis before entering into such Related Party Transactions. As such, the Board is seeking approval for the Proposed Shareholders' Mandate pursuant to Paragraph 10.09 of the Listing Requirements for the RRPT described in Section 1.5 above to allow DeGem Group to enter into such RRPT made on an arm's length basis and on normal commercial terms and which are not prejudicial to the interests of the shareholders.

By obtaining the Proposed Renewal of Shareholders' Mandate and where appropriate, the renewal thereof on an annual basis would eliminate the need to convene separate General Meetings from time to time to seek approval from shareholders as and when potential RRPT with a Related Party arise, thereby reducing substantially administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of DeGem Group or adversely affecting the business opportunities available to DeGem Group.

The RRPTs are intended to meet the business needs of the Group on the best possible terms. By transacting with the Related Parties, the Group would have an advantage of familiarity with the background and management of the Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, the Group and the

Related Parties have close co-operation and a good understanding of each other's business needs thus providing a platform where all parties can benefit from conducting the RRPTs.

1.8 The Methods or Procedures on Which Transaction Prices Will Be Determined

DeGem Group had established various methods and procedures to ensure that the RRPT are undertaken on an arm's length basis and are on terms not more favorable to the Related Parties than those generally available to the public and not detrimental to the minority shareholders.

The procedures are applied as follows: -

(a) A list of the Related Parties is circulated within DeGem Group and the Related Parties are notified that all RRPT are required to be undertaken on an arm's length basis and on normal commercial terms.

(b) Where applicable, the terms of the pricing of the RRPT's will be consistent with the Groups' usual business practices and policies will take into consideration the terms and conditions, level of service and expertise required, quality, reliability and consistency of products and services as compare with the prevailing market rate of prices and general practices by other service providers of similar capacity and capability;

At least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by their Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.

Where quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by DeGem Group based on those offered by or to other unrelated parties for the same or substantially similar type of transactions to ensure that the RRPT is not detrimental to DeGem Group.

(c) There are no specific thresholds for approval of RRPT within DeGem Group. However, RRPT (save for tenancy agreement), are subject to the approval of the Chief Executive Director and/or such other senior executive(s) (not being a person connected to the Related Parties designated by the Audit and Risk Committee Member from time to time for such purpose), and tabled for review by the Audit and Risk Management Committee on a quarterly basis. The tenancy agreement entered into by DeGem is subject to the approval of the Board of Directors based on the recommendation by the Audit and Risk Management Committee.

(d) The status of the RRPT would be reviewed by the Audit and Risk Management Committee on a quarterly basis.

(e) The annual internal audit plan shall incorporate a review of all RRPT entered into pursuant to the Proposed Renewal of Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures are followed.

(f) The Audit and Risk Management Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor RRPT have been complied with.

(g) A Register shall be maintained by the Company to record all RRPT which are entered into pursuant to the Proposed Renewal of Shareholders' Mandate.

(h) If a member of the Board or Audit and Risk Management Committee has an interest (direct or indirect) in any Related Party Transactions, he/she shall abstain from any

decision making by the Board or Audit and Risk Management Committee in respect of such transactions and continue to abstain from voting on the resolution approving the transactions.

(i) The interested Director and/or interested Major Shareholder shall also ensure that persons connected with them abstain from voting on the resolution approving the transactions.

2. STATEMENT BY AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee of the Company has seen and reviewed the guidelines and procedures mentioned in Section 1.8 above. The Audit and Risk Management Committee is of the view that the said guidelines and procedures are adequate to monitor, track and identify the RRPT in a timely and orderly manner and to ensure that the RRPT will be carried out on normal commercial terms. The Audit and Risk Management Committee is also of the view that the guidelines and procedures in place are sufficient to ensure that the terms of the RRPT are not more favorable to the Related Parties than those generally available to the public and the RRPT are not detrimental to minority shareholders of DeGem.

The Audit and Risk Management Committee shall review and ascertain whether the established guidelines and procedures to monitor the RRPT have been complied with at least once a year. If during its annual review, the Audit and Risk Management Committee are of the view that such guidelines and procedures are no longer appropriate or adequate to ensure that Related Party Transactions will be carried out on normal commercial terms or will be prejudicial to the interests of the minority shareholders, DeGem will then seek a fresh mandate from the shareholders based on new guidelines and procedures.

3. DISCLOSURE

Disclosure will be made in the Annual Report 2018 of DeGem of the aggregate value of transactions conducted pursuant to the Proposed Renewal of Shareholders' Mandate during the financial year, and in the Annual Report of the subsequent year during which the Proposed Renewal of Existing Shareholders' Mandate is in force. In making the disclosure in the Annual Report, a breakdown of the aggregate value of transactions made during the financial year, shall amongst others, based on the following information:-

(a) the type of the RRPT made; and

(b) the names of the Related Parties involved in each type of the RRPT made and their relationship with DeGem.

4. APPROVALS REQUIRED

The Proposed Renewal of Shareholders' Mandate is subject to the approval of the shareholders of the Company at the forthcoming 22nd AGM to be convened.

5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDER AND/OR PERSONS CONNECTED WITH THEM

The interested Directors, namely Mr. Choong Kai Soon, Mr. Choong Kai Fatt, Mr. Choong Khoi Onn, Mr. Choong Kay Cheong have abstained and will continue to abstain from all Board deliberations and voting in the Board resolutions pertaining to the Proposed Renewal of Shareholders' Mandate at the forthcoming 22nd AGM.

These interested Directors, as named in the immediate paragraph above, the interested Major Shareholders, namely Legion Master Sdn. Bhd. and/or the persons connected with them will abstain from voting on the resolutions, in respect of their direct and/or indirect shareholdings on the resolution approving the Proposed Renewal of Shareholders' Mandate at the forthcoming 22nd AGM.

The interested Directors and interested Major Shareholders will ensure that persons connected to them will abstain from voting in respect of his direct and indirect shareholding in relation to the resolution approving the Proposed Shareholders' Mandate at the forthcoming 22nd AGM.

Save as aforesaid, none of the other Directors or Major Shareholders of DeGem or persons connected with them has any interest, direct and/or indirect, in the Proposed Renewal of Shareholders' Mandate.

6. DIRECTORS' RECOMMENDATION

The Board, with the exception of Mr. Choong Kai Soon, Mr. Choong Kai Fatt, Mr. Choong Khoi Onn and Choong Kay Cheong who have abstained from giving an opinion on the Proposed Renewal of Shareholder Mandate is of the opinion that the Proposed Renewal of Shareholder Mandate is in the best interest of the Company. Accordingly, the Board (save for the interested Directors) recommends that you vote in favour of the resolution pertaining to the above to be tabled at the forthcoming 22nd AGM.

7. 22ND ANNUAL GENERAL MEETING

The 22nd AGM, notice of which is enclosed in the Annual Report 2018, will be held at RG Dining, Level R, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 12 June 2019, at 10.30 a.m. for the purpose of considering and if thought fit, passing the resolution pertaining to the Proposed Renewal of Shareholders' Mandate.

If you are unable to attend and vote in person at the 22nd AGM, you are requested to complete, sign, and deposit the Proxy Form enclosed in the Annual Report 2018 in accordance with the instructions therein, at the Share Registrar's Office of DeGem not later than 48 hours before the time set for the 22nd AGM or any adjournment thereof. The lodging of the Proxy Form 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 Appendix I in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
DEGEM BERHAD,

DATO' HASAN BIN M. TAIB
Chairman/Independent Non-Executive Director

PART B

PROPOSED RENEWAL FOR SHARE BUY-BACK AUTHORITY

INFORMATION ON THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

The Company had, during the 21st AGM held on 7 June 2018, obtained shareholder's approval to purchase its own shares of up to 10% of the total issued and paid-up share capital of the Company. In accordance with Chapter 12 of the Listing Requirements, the previously mentioned approval will continue in force until the conclusion of the forthcoming 22nd AGM of the Company which will be held on Wednesday, 12 June 2019, unless a new mandate is obtained from the shareholders of the Company at the AGM.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

DeGem proposes to seek a mandate from its shareholders for the renewal of authority to enable the Company to purchase and /or hold from time to time up to ten per cent (10%) of the issued and paid-up share capital of DeGem as quoted on the Bursa Securities as at the point of purchase through its appointed Stockbroker(s).

2.1 Quantum

The maximum number of shares which may be purchase by the Company shall not exceed ten percent (10%) of the issued and paid-up share capital of the Company.

As at the LPD, the Company had purchased a total of 3,167,900 DeGem Shares which are held as Treasury Shares. Accordingly, the number of shares which are available for further buy-back by the Company is up to the maximum of 10,232,100 DeGem Shares, which together with the 3,167,900 Treasury Shares, represents ten percent (10%) of the issued and paid-up share capital of the Company.

2.2 Effective Period

The Proposed Share Buy-Back Authority, once approved by the shareholders, shall be effective immediately upon the passing of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority until: -

(a) the conclusion of the next AGM of the Company following at which time the authority shall lapse unless by an ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders at a General Meeting,

whichever occurs first.

2.3 Source of Funds

The Listing Requirements stipulate that the proposed purchase by a listed company of its own shares must be made wholly out of retained profits of the listed company. Based on the latest audited accounts for the financial year ended 31 December 2018, the Company's retained profits stood at RM2,658,000

The funding for the Proposed Share Buy-Back will be from internally generated funds of DeGem Group and/or external borrowings, the portion of which to be utilised will depend on the actual number of DeGem Shares to be purchased, the price of DeGem Shares and the availability of funds at the time of the purchase(s). If borrowings are used for the Proposed Share Buy-Back, DeGem will experience a decline in its net cash flow to the extent of the interest costs associated with such borrowings but the Board does not foresee any difficulty in repayment of borrowings, if any, that is used for the Proposed Share Buy-Back.

The actual number of DeGem Shares to be purchased, the total amount of funds involved for each purchase and the timing of the purchase(s) will depend on inter-alia, the market conditions, and sentiments of the stock market as well as the availability of financial resources of DeGem Group at the time of the purchase(s).

2.4 Treatment of shares purchased by DeGem

The Company may either retain DeGem Shares purchased as treasury shares or cancel the said DeGem shares or retain part of the DeGem Shares so purchased as treasury shares and cancel the remainder. In the event the Company retains the purchased DeGem Shares as treasury shares, the said DeGem Shares may either be distributed as dividends to shareholders, resold on Bursa Securities in accordance with the rules of Bursa Securities, subsequently cancelled or any combination of the three. DeGem may have the opportunity to realise capital gain if these shares are resold on Bursa Securities at a price higher than the purchased price.

The Company may decide to cancel the purchased DeGem Shares if the cancellation of the shares purchased is expected to enhance the EPS of DeGem Group, as a result of the reduction in its issued and paid-up capital. The shareholders of DeGem may enjoy an increase in the value of their investment in DeGem due to the increase in its EPS.

While the purchased DeGem Shares are held as treasury shares, Section 127 of the Act states that the rights attached to them as to voting, dividends and participation in other distributions or otherwise are suspended and the treasury shares shall not be taken in account in calculating the number or percentage of DeGem Shares or of a class of DeGem Shares for any purpose including substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting of shareholders.

2.5 Regulatory Requirements

(a) The public shareholding spread of DeGem based on the Record of Depositors as at 29 March 2019, being the LPD prior to the printing of this Circular, was approximately 34.16%. If the Proposed Share Buy-Back is implemented in full, i.e. up to ten per cent (10%) of the DeGem Shares are purchased from the public entirely and that the number of DeGem Shares held directly and indirectly by the substantial shareholders and the Directors of DeGem remain unchanged, the public shareholding spread of the Company is expected to be approximately 28.58%. The Company, in implementing the Proposed Share Buy-Back, will be mindful in ensuring compliance with the minimum public shareholding spread of 25% as required under the Listing Requirements.

(b) Pursuant to the Listing Requirements, DeGem may only purchase its own shares at a price which is not more than fifteen per cent (15%) above the weighted average market price of DeGem Shares for the past five (5) market days immediately preceding the date of the purchase(s).

DeGem may only resell the purchased shares held as treasury shares at a price which is: -

(i) not less than the weighted average market price of DeGem Shares for the five (5) market days immediately preceding the date of resale; or

(ii) not less than five per cent (5%) below the weighted average market price of DeGem Shares for the five (5) market days immediately preceding the date of resale provided that: -

- the resale takes place no earlier than thirty (30) days from the date of purchase; and
- the resale price is not less than the cost of purchase of the shares being resold.

(c) the maximum funds to be utilised for the purchase of the Company's own shares cannot exceed the level of distributable reserves of the Company. As mentioned earlier in Section 2.3, the allocation of funds for the Proposed Share Buy-Back would not exceed the level of retained profits of the Company;

(d) the Proposed Share Buy-Back shall only be effected on the market of Bursa Securities via its Automated Trading System and shall exclude any direct business transactions as defined in accordance with the rules of Bursa Securities. Consequently, the Proposed Share Buy-Back shall be transacted through Bursa Securities via appointed Stockbroker(s); and

(e) the Company must make an immediate announcement to Bursa Securities of any purchase(s) of its own Shares, any resale of its treasury shares or any cancellation of its Shares or treasury shares, not later than 6.30 p.m. on the day the purchase, the resale or the cancellation is made.

3. IMPLICATIONS OF THE CODE

If the Proposed Share Buy-Back results in the equity interest of any one of the substantial shareholders and their respective parties acting in concert exceed 33% of the issued and paid-up share capital of DeGem or if his/their existing shareholdings is between 33% and 50% and increases by another 2% in any subsequent 6 months period, the affected substantial shareholder and parties acting in concert would be obliged to undertake a mandatory offer for the remainder DeGem Shares not held by the said affected substantial shareholder and parties acting in concert pursuant to the Code. However, a waiver to undertake a mandatory offer may be granted by the Securities Commission under the Code, subject to the affected substantial shareholder and parties acting in concert complying with certain conditions. In this respect, the Board will be mindful of the potential implications relating to the Code.

4. ADVANTAGES/DISADVANTAGES

4.1 Potential Advantages

The potential advantages of the Proposed Share Buy-Back to DeGem and its shareholders are as follows: -

(a) allows DeGem to take preventive measures against speculation particularly when its Shares are undervalued which would in turn stabilise the market price of DeGem Shares and hence, enhance investors' confidence;

(b) the EPS of DeGem Shares and the ROE of DeGem, assuming all other things being equal, would be enhanced. This is expected to have a positive impact on the market price of DeGem Shares which will benefit the shareholders of DeGem; and

(c) if the Purchased Shares are retained as treasury shares, DeGem may increase its financial resources and realise potential gains from the resale of the treasury shares. Alternatively, the Purchased Shares retained as treasury shares may be distributed as share dividends to shareholders of DeGem.

4.2 Potential Disadvantages

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

(a) the Proposed Share Buy-Back will reduce the financial resources of DeGem Group and may result in DeGem Group foregoing better investment opportunities that may emerge in the future; and

(b) as the funds to be allocated for the Proposed Share Buy-Back can only be made out of retained profits of the Company, it may result in the reduction of financial resources available for distribution to shareholders in the immediate future.

Nevertheless, the Proposed Share Buy-Back is not expected to have any potential material disadvantage to the Company and its shareholders. The Board will be mindful of the interests of the Company and the shareholders in implementing the Proposed Share Buy-Back.

5. PURHCASE OF DEGEM SHARES AND RESALE OF TREASURY SHARES MADE IN THE PREVIOUS TWELVE (12) MONTHS.

There were no purchase, resale or cancellation of share made by DeGem in the previous twelve (12) months preceding the date of this statement.

6. RATIONALE OF THE PROPOSED SHARE BUY-BACK AUTHORITY

The Proposed Share Buy-Back is likely to benefit DeGem and its shareholders in the following manner: -

(a) if necessary in future, DeGem may be able to stabilize the supply and demand of DeGem Shares in the open market, thereby supporting the fundamental values of DeGem Shares;

(b) if DeGem Shares purchased by DeGem are cancelled, shareholders may enjoy an increase in the value of their investment in DeGem due to the increase in its earnings per share as a result of the reduction in its issued and paid-up share capital, all things being equal; and

(c) the purchased shares may be held as treasury shares and resold in the open market to reap the potential capital appreciation of the Shares without affecting the total issued and paid-up share capital of DeGem. DeGem may also utilise the treasury shares as future dividend payout to DeGem shareholders, which would serve to reward the shareholders of the Company.

7. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

The effects of the Proposed Share Buy-Back Authority on the share capital, earnings, NA and shareholdings of Directors and substantial shareholders of DeGem, assuming the Company purchases DeGem Shares up to the maximum ten per cent (10%) of the issued and paid-up share capital of DeGem, are set out below.

7.1 Share Capital

The proforma effects of the Proposed Share Buy-Back Authority on the issued and paid-up share capital of DeGem are set out below: -

	Number of DeGem Shares
Issued and paid-up share capital as at 29 March 2019	134,000,000
Less:	
Purchased and held as Treasury Shares as at 29 March 2019	3,167,900
Assuming if remaining maximum number of shares are purchased pursuant to the share buy-back	10,232,100
Resultant issued and paid-up capital	120,600,000

7.2 Earnings

The effect of the Proposed Share Buy-Back on the EPS of DeGem Group will depend on the number of shares repurchased, the purchase price(s) of the DeGem Shares and the effective funding cost to DeGem Group to finance the purchase of DeGem Shares or any loss in interest income to the Company.

Assuming the Purchased Shares are retained as treasury shares and resold, the effects on the EPS of DeGem Group will depend on the actual selling price, the number of treasury shares resold and the effective gain or interest savings arising from the exercise.

If the Purchased Shares are cancelled, the Proposed Share Buy-Back will increase the EPS of DeGem Group provided the income foregone and/or interest expense incurred on the Purchased Shares is less than the EPS before the Proposed Share Buy-Back.

7.3 Net Assets ("NA")

The effect of the Proposed Share Buy-Back on the NA of the Group will depend on the purchase price(s) of the DeGem Shares at the time of buy back and the effective funding cost to DeGem Group to finance the purchase of DeGem Shares or any loss in interest income to the Company.

In the event that all the Purchased Shares are cancelled, the Proposed Share Buy-Back would reduce the NA of DeGem Group when the purchase price per DeGem Share exceeds the NA per DeGem Share at the time when the DeGem Shares are purchased.

The NA per DeGem Share will decrease if the Purchased Shares are retained as treasury shares due to the requirement for treasury shares to be carried at cost and be offset against equity, resulting in a decrease in the NA by the cost of the treasury shares. If the treasury shares are resold, the NA per DeGem Share will increase if the Company realises a gain from the resale, and vice versa. If the treasury shares are distributed as share dividends, the NA per DeGem Share will decrease by the cost of the treasury shares.

7.4 Dividends

Assuming the Proposed Share Buy-Back is implemented in full and the dividend quantum is maintained at historical levels, the Proposed Share Buy-Back will have the effect of increasing the dividend rate per ordinary share of the Company as a result in the reduction in the number of DeGem Shares which are entitled to participate in the dividends.

7.5 Working Capital

The Proposed Share Buy-Back will reduce the working capital of DeGem Group, the quantum of which will depend on the purchase price(s) of the DeGem Shares and the number of shares purchased.

8. SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the Registers of Directors' shareholdings and Substantial Shareholders' shareholdings as at 29 March 2019 and assuming the Proposed Share Buy-Back is implemented in full, and that the DeGem Shares purchased are from shareholders other than the existing Directors and substantial shareholders of the Company, the proforma effect of the Proposed Share Buy-Back on the shareholdings of the existing Directors and substantial shareholders of the Company are set out below:-

8.1 Shareholdings of Directors

	← As at 29 March 2019 →				← After the Proposed Share Buy Back →			
	← Direct →		← Indirect →		← Direct →		← Indirect →	
Director	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Dato' Hasan bin M. Taib	3,000,000	2.29	-	-	3,000,000	2.49	-	-
Choong Kai Soon	-	-	77,367,234*#	59.13	-	-	77,367,234*#	64.15
Choong Kai Fatt	-	-	76,968,634*	58.83	-	-	76,968,634*	63.82
Choong Khoi Onn	760,000	0.58	76,968,634*	58.83	760,000	0.63	76,968,634*	63.82
Choong Kay Cheong	2,508,000	1.92	76,968,634*	58.83	2,508,000	2.08	76,968,634*	63.82
Leou Thiam Lai	-	-	-	-	-	-	-	-
Dato' Koh Hong Sun	-	-	-	-	-	-	-	-
Datuk Zainun Aishah binti Ahmad	-	-	-	-	-	-	-	-

Notes:

** Deemed interested by virtue of his direct/indirect shareholdings in Legion Master Sdn. Bhd.*

 # Deemed interest through his spouse's shareholding by virtue of Section 59(11)(c) of the Companies Act, 2016.

8.2 Shareholdings of Substantial Shareholders

	← As at 29 March 2019 →				← After the Proposed Share Buy Back →			
	← Direct →		← Indirect →		← Direct →		← Indirect →	
Substantial Shareholder	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Legion Master Sdn. Bhd.	76,968,634	58.83	-	-	76,968,634	63.82	-	-
Choong Kai Soon	-	-	77,367,234*#	59.13	-	-	77,367,234*#	64.15
Yeoh Mooi Kim※	398,600	0.30	-	-	398,600	0.33	-	-
Choong Kai Fatt	-	-	76,968,634*	58.83	-	-	76,968,634*	63.82
Choong Khoi Onn	760,000	0.58	76,968,634*	58.83	760,000	0.63	76,968,634*	63.82
Choong Kay Cheong	2,508,000	1.92	76,968,634*	58.83	2,508,000	2.08	76,968,634*	63.82
Choong Sin Cheong※	2,500,000	1.91	76,968,634*	58.83	2,500,000	2.07	76,968,634*	63.82
Teh Yean Teong	11,835,900	9.05	-	-	11,835,900	9.81	-	-

Notes:

* *Deemed interested by virtue of his direct/indirect shareholdings in Legion Master Sdn. Bhd.*

\# *Deemed interest through his spouse's shareholding by virtue of Section 59(11) (c) of the Companies Act, 2016.*

※ *Persons connected with directors.*

9. HISTORICAL PRICES OF DEGEM SHARES

The monthly highest and lowest prices of DeGem Shares as traded on Bursa Securities for the last twelve (12) months from April 2018 to 29 March 2019 are as follows: -

Year	Month	Highest (RM)	Lowest (RM)
2018	April	1.050	0.950
	May	1.100	0.970
	June	1.050	0.970
	July	1.100	1.100
	August	-	-
	September	-	-
	October	1.000	1.000
	November	1.050	1.050
	December	-	-
2019	January	1.050	1.050
	February	-	-
	March (up to 29 March 2019)	-	-

Last transacted market price as at the LPD was RM1.050.
(Source: Excel Force MSC Berhad)

10. APPROVALS REQUIRED

The Proposed Share Buy-back Authority is subject to the approval of the shareholders of DeGem at the forthcoming 22nd AGM to be convened.

11. OUTSTANDING CORPORATE EXERCISES ANNOUNCED BUT NOT COMPLETED

Save for the Proposed Share Buy-back Authority, there is no other corporate exercise which has been announced but not yet completed prior to the printing of this Circular.

12. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the Directors, major shareholders and/or persons connected to the Directors and/or major shareholders has any interest, directly or indirectly, in the Proposed Purchase of Shares or resale of Treasury Shares.

13. DIRECTORS' RECOMMENDATION

The Board of DeGem, having considered all aspects of the Proposed Share Buy-Back Authority, is of the opinion that the Proposed Share Buy-Back Authority is in the best interest of the Company. Accordingly, the Board of DeGem recommends that you vote in favour of the resolution pertaining to the Proposed Share Buy-back at the forthcoming 22nd AGM.

14. 22ND ANNUAL GENERAL MEETING

The 22nd AGM, notice of which is enclosed in the Annual Report 2018, will be held at RG Dining, Level R, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 12 June 2019, at 10.30 a.m. for the purpose of considering and if thought fit, passing the resolution pertaining to the Proposed Renewal of Share Buy-back Authority.

If you are unable to attend and vote in person at the 22nd AGM, you are requested to complete, sign, and deposit the Proxy Form enclosed in the Annual Report 2018 in accordance with the instructions therein, at the Share Registrar's Office of DeGem not later than 48 hours before the time set for the 22nd AGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

15. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I in this Circular for further information.

Yours faithfully,
for and on behalf of the Board of Directors
DEGEM BERHAD

DATO' HASAN BIN M. TAIB
Chairman/Independent Non-Executive Director

PART C

PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY

PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY

1. INTRODUCTION

On 5 April 2019, the Board of Directors of the Company announced that DeGem proposed to seek approval for the Proposed Adoption of the New Constitution of the forthcoming 22nd AGM of the Company.

2. DETAIL OF THE PROPOSED ADOPTION

The Board proposes that the Company to revoke its Memorandum & Articles of Association of the Company in its entirety with immediate effect and in place thereof, adopt a new Constitution, taking into account the Act which came into effect from 31 January 2017 and in line with the Listing Requirements.

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

3. RATIONALE THE PROPOSED ADOPTION

The Proposed Adoption is primarily for the purpose of streamlining the Company's M&A to be in line with the Act, the Listing Requirements, the prevailing statutory and regulatory requirements as well as to update the M&A, where relevant, to render consistency throughout in order to facilitate and further enhance administrative efficiency

4. APPROVALS REQUIRED

The Proposed Adoption is subject to the approval being obtained from the shareholders of the Company at the forthcoming AGM by way of a Special Resolution.

5. FINANCIAL EFFECTS

The Proposed Adoption will not have any effect on the EPS and NA per share at the DEGEM Group level, issued share capital, substantial shareholding and dividend rate of the Company.

6. INTEREST OF DIRECTORS, MAJOR SHAREHODLERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders or persons connected to them have interest in the Proposed Adoption.

7. DIRECTORS RECOMMENDATION

The Board recommend that you vote in favour of the special resolution pertaining to the Proposed Adoption to be tabled at the forthcoming AGM.

8. 22ND ANNUAL GENERAL MEETING

The 22nd AGM, notice of which is enclosed in the Annual Report 2018, will be held at RG Dining, Level R, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 12 June 2019, at 10.30 a.m. for the purpose of considering and if thought fit, passing the resolution pertaining to the Proposed Adoption.

If you are unable to attend and vote in person at the 22nd AGM, you are requested to complete, sign, and deposit the Proxy Form enclosed in the Annual Report 2018 in accordance with the instructions therein, at the Share Registrar's Office of DeGem not later than 48 hours before the time set for the 22nd AGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
DEGEM BERHAD

DATO' HASAN BIN M. TAIB
Chairman/Independent Non-Executive Director

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1. RESPONSIBILITY STATEMENT

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

2. MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which may have a material effect on its financial position and the Directors do not have any knowledge of any proceeding, pending or threatened, against our Group or any facts which is likely to give rise to any proceeding which might materially and adversely affect the financial position or business of our Group.

3. MATERIAL CONTRACTS

As at the LPD, save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Group during the past 2 years immediately preceding the date of this Circular:

(a) On 10 August 2017, DeGem disposed its 70% equity investment in Bestline International Corporation Limited, Bestline Design Sdn. Bhd. and Bestline Limited, which are subsidiaries of Jewelmart International Sdn. Bhd. for a total cash consideration of HK 6,150,000.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office during normal office hours from Mondays to Fridays (except for public holidays) for the period commencing from the date of this Circular up to the date of the AGM:

(a) Memorandum and Articles of Association (Constitution) of DeGem;

(b) the audited consolidated financial statements of DeGem for the past 2 financial years ended 31 December 2017 and 2018;

(c) the material contracts referred to in Section 3 above.

THE COMPANIES ACT, 2016

PUBLIC COMPANY LIMITED BY SHARES

CONSTITUTION

of

DEGEM BERHAD

Company No. 415726-T

Incorporated on 3rd day of January, 1997

THE COMPANIES ACT, 2016

PUBLIC COMPANY LIMITED BY SHARES CONSTITUTION

OF

DEGEM BERHAD

1. The name of the Company is DEGEM BERHAD.

2. The Registered Office of the Company is situated in Malaysia.

3. The Company shall have full capacity to carry on or undertake any business or activity including: Objects

   (a) to sue and be sued;

   (b) to acquire, own, hold, develop or dispose of any property; and

   (c) to do any act or enter into any transactions;

   and for these purposes, the Company shall have the full rights, powers andprivileges as contained in Section 21 of the Act (as hereinafter defined).

4. The liability of the Members is limited.

5. Definitions and Interpretation

   In this Constitution, unless the context otherwise requires:- Definitions

Words	**Meanings**
Act	The Companies Act 2016, as amended from time to time, and any re-enactments thereof
Auditor	The Auditors of the Company for the time being
Authorised Nominee	A person who is authorised to act as nominee as specified under the Rules
Board of Directors	The board of Directors for the time being of the Company
Bursa Depository	Bursa Malaysia Depository Sdn. Bhd. (Co. No. 165570-W)
Bursa Securities	Bursa Malaysia Securities Berhad (Co. No. 635998-W)
Chairman	The Chairman for the time being of the Board
Clause	Any provisions in this Constitution as originally framed or as altered from time to time by special resolution
CMSA	The Capital Markets and Services Act 2007
Company	Degem Berhad (Co. No. 415726-T)

Deposited Security	A security in the Company standing to the credit of a securities account as defined in the SICDA and subject to the provisions of the SICDA and the Rules
Depositor	A holder of securities account as defined in the SICDA
Directors	The directors of the Company
Exchange	Bursa Malaysia Securities Berhad or any other Stock Exchange on which the Company is listed
Exempt Authorised Nominee	An authorised nominee, as defined under the SICDA, which is exempted from compliance with the provisions of Section 25A(1) of the SICDA
Listing Requirements	Listing Requirements of Bursa Malaysia Securities Berhad including any amendment thereto that may be made from time to time
Markets Days	Any days on which there is official trading on the Exchange
Member(s)	Any person/persons for the time being holding shares in the Company and whose names appear in the Register of Members (except the Bursa Malaysia Depository Nominees Sdn. Bhd.) including Depositors whose names appear on the Record of Depositors
Month	Calendar month
Ordinary Resolution	A resolution which has been passed by a simple majority of more than half of such Members who are entitled to vote and do vote in person, or where proxies are allowed, by proxy
Record of Depositors	A record provided by Central Depository to the Company under Chapter 24.0 of the Rules of the Central Depository
Register of Members	The register of Members to be kept pursuant to the Act
Registered Office	The registered office of the Company
Rules	The Rules of the Central Depository
Seal	The common seal of the Company
Secretary	Any person appointed by the Board to perform the duties of the Secretary of the Company. This includes an assistant, deputy or temporary company secretary. Where two or more are appointed to act jointly, it includes any one of them
Securities	Any debenture, note, stock and share in the Company and includes any right or option in respect thereof, any interest as defined in Section 2 of the CMSA and any interest in a unit trust scheme
Securities Account	An account established by the Central Depository for a

	Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor
Securities Seal	An official seal kept by the Company under Section 63 of the Act
SICDA	The Securities Industry (Central Depositories) Act, 1991
Special Resolution	A resolution of which a notice of not less than twenty-one (21) days has been given and which has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person, or where proxies are allowed, by proxy.

In this Constitution, unless there is something in the subject or context inconsistent therewith:-

(a) A reference to a statute or a statutory provision herein shall be deemed to include any modification, re-enactment or consolidation thereof and any regulations, rules, orders or other statutory instruments made pursuant thereto.

(b) References to "writing" shall include, unless the contrary intention appears, references to printing, lithography, photography and any other modes of representing or reproducing words, letters, figures or marks in a visible form.

(c) Expressions referring to "electronic communications" shall include, but shall not be limited to, unless the contrary intention appears, references to delivery of documents or information in electronic form by electronic means to the electronic mail address or any other address or number of the addressee, as permitted by the provisions of the Act.

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

(e) Words or expression contained in this Constitution shall be interpreted in accordance with the provisions of the Interpretation Act, 1967 as amended from time to time and any re-enactment thereof

(f) Any reference in this Constitution to a numbered Clause shall be construed as a reference to the Clause bearing that number in this Constitution.

(g) The headings and sub-headings in this Constitution are inserted for convenience of reference only and shall not affect the interpretation and construction of the provision therein.

CAPITAL

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

7. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares already issued, the Company shall have power to issue preference shares on such terms and conditions and carrying such rights or Power to Issue Preference Shares

restrictions as may be provided for by this Constitution.

8. Preference shareholders of the Company shall have the same rights as the holders of ordinary shares in relation to: Rights of Preference shareholders

(i) receiving notices, reports and audited financial statements; and

(ii) attending general meetings of the Company;

9. Preference shareholders of the Company shall also have the right to vote in each of the following circumstances only but shall have no other rights whatsoever:-

(a) when the dividend or part of the dividend is in arrears for more than six (6) months;

(b) on a proposal to reduce the Company's share capital;

(c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;

(d) on a proposal that affects rights attached to the shares; and

(e) on a proposal to wind up or during the winding up of the Company.

10. The Company shall not without the consent of the existing preference shareholders at a class meeting issue further preference capital ranking in priority to preference shares already issued but may issue preference shares ranking equally therewith.

11. Subject to the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed. Issuance of Preference shares

12. The repayment of preference capital other than redeemable preference capital, or any other alteration of preference shareholders' rights, may only be made pursuant to a Special Resolution of the preference shareholders concerned, provided always that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing, if obtained from the holders of not less than seventy-five per centum (75%) of the total voting rights of the holders of the preference share capital concerned within two (2) months of the meeting, shall be as valid and effectual as a Special Resolution carried at the meeting. Repayment of Preference Share Capital or Alteration of Preference Shareholders' Rights

13. The Company shall have the power, subject to any conditions prescribed by the Act, the Rules, regulations and orders made pursuant thereto and the requirements of the Exchange and any other relevant authority, to purchase its own shares. Purchase of Own Shares

14. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of not less than seventy-five per centum (75%) of the total voting right of the holders of that class of shares or with the sanction of a Special Resolution passed at a separate meeting by holders in the class sanctioning the variation. To every such separate meeting the provisions of this Constitution relating to meetings of Members shall mutatis mutandis apply so that the necessary quorum shall be two (2) members of the class present in person or by proxy, who together represent at least one-third (1/3) of the voting rights of that class. To every such Special Resolution the provisions of Section 292 of the Act shall apply with such adaptations as are necessary. Variation of Class Rights

15. The special rights conferred upon the holders of any shares or class of shares issued with preferred or other special rights shall not unless otherwise expressly Ranking of New Class Right

provided by the terms of issue of such shares be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

SHARES

16. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of the Act and the provisions of any resolution of the Company, shares in the Company shall be at the disposal of the Directors who may allot, grant options over or otherwise dispose of such shares to such persons on such terms and conditions and at such times as the Directors may determine, but the Directors in making any such allotment or disposal or granting any such option of shares shall comply with the following conditions:- Allotment of Shares

(a) In the case of shares offered to the public for subscription, the amount payable on application on each share shall not be less than five per centum (5%) of the offer price of the share;

(b) In the case of shares other than ordinary shares no special rights shall be attached until the same have been expressed in this Constitution;

(c) No Director shall participate in a share issuance scheme of the Company unless the Members in general meeting have approved of the specific allotment to be made to such Director;

(d) 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 number of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to the 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. Issuance of new shares

(e) Subject to the Listing Requirements and notwithstanding the existence of an Ordinary Resolution pursuant to Sections 75(1) and 76(1) of the Act the Company must ensure that it shall not issue any shares or convertible securities, when aggregated with the total number of any such shares or convertible shares issued during the preceding twelve (12) months exceeds ten per centum (10%) of the total number of the issued and paid up capital of the Company (excluding treasury shares). Issue of securities

(f) In working out the number of shares or convertible securities that may be issued by the Company, if the security is convertible security, each security is counted as the maximum number of shares into which it can be converted or exercised.

(g) Notwithstanding any provisions in this Constitution to the contrary and subject to the Rules, the Act, the SICDA and Listing Requirements, all new issues of securities for which listing is sought shall be 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 SICDA, in which event it shall so similarly be exempted from compliance with this Requirement. For this purpose, the Company must notify the Bursa Depository of the names of the allottees and all such particulars required by the Bursa Depository, to enable the Bursa Depository to make appropriate entries in the Securities Accounts of such allottees.

17. The Company (or the Directors on behalf of the Company may exercise the powers of paying commissions conferred by the Act, provided that the rate or the per centum of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the commission shall not exceed the rate of ten per centum (10%) of the price at which the shares in respect whereof the commission is paid are issued or an amount equivalent thereto. The Company may, on any issue of shares, also pay such brokerage as may be lawful.

Commission on Subscription of Shares

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

Interest on Share Capital During Construction of Works or Buildings

19. Except as authorised 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 recognize (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 otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

Trusts not to be recognised

NOTICE OF ALLOTMENT AND CERTIFICATE

20. With respect to Deposited Security, subject to the provisions of the Act, the SICDA and the Rules, the Company upon allotment of securities shall despatch notices of allotment to the allottees and make an application for the quotation of such securities within the period prescribed by the Bursa Securities and deliver to the Bursa Depository the appropriate certificates in such denominations as may be specified by the Bursa Depository registered in the name of the Bursa Depository or its nominee company subject to the regulation of the Bursa Depository.

Despatch Notice of Allotment

21. The Company may issue share certificates in respect of shares or securities in favour of Bursa Depository as may be directed by the Securities Commission or Bursa Depository pending the crediting of shares or securities into the securities account of the person entitled to such shares or securities or as may be prescribed by the SICDA and the Rules of Bursa Depository provided always that every certificate shall be issued under the Share Seal or Seal in such form as the Board shall from time to time prescribe and shall bear the autographic signature of at least one (1) Director and a second Director or the Secretary or some other person appointed by the Board, and shall specify the number and class of shares or securities to which it relates and the issue price of the shares or securities.

Share Certificate

LIEN

22. The Company's lien on shares and dividends from time to time declared in respect of such shares shall be restricted to -

Company’s lien on shares and

dividends

(a) unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid; and

(b) such amounts as the Company is required by law to pay, and has paid, in respect of the shares of a holder or deceased former holder.

In each case, the lien extends to reasonable interest and expenses incurred because the amount is not paid.

23. The Company may sell, in such manner as the Board think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, and until the expiration of fourteen (14) days after a notice in writing, stating and demanding payment of the sum presently payable and giving notice of intention to sell in default, shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

Lien on shares may be enforced by sale

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

The Board may effect transfer

25. The proceeds of the sale after payment of the amount of all costs of such sale and of any attempted sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall be paid to the person entitled to the shares at the date of the sale subject to a similar lien for sums nor presently payable which exists over the shares before the sale.

Application of proceeds of sale

CALLS ON SHARES

26. The Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their shares, provided that (except as otherwise fixed by the terms of issue) no call on any share shall exceed one-fourth (1/4) of the issued price of the share or be payable at less than thirty days (30) from the last call; and each Member shall (subject to his being given at least fourteen (14) days' notice specifying the date, time and place of payment) pay to the Company the amount called on his shares.

Directors empowered to make calls on shares

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

When call is to be deemed made

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

Interest on unpaid calls

29. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of this Constitution be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable and in case of non-payment all the relevant provisions of the Act as to payment of interest and expenses, forfeiture and

Terms of issue may be treated as call

otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

30. The Directors may, on the issue of shares, differentiate between the holders in the amount of calls to be paid and in the times of payment. Difference in calls

31. 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 per centum (8%) per annum, as may be agreed between the member paying the sum in advance and the Directors, unless the Company in a general meeting otherwise directs. Calls may be paid in advance

Any capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits. Except in liquidation, sums paid in advance of calls shall not, until the same would but for such advance have become payable, be treated as paid up in the shares in respect of which they have been paid. Capital Paid in advance of calls

TRANSFER OF SHARES

32. Subject to the SICDA and the Rules, any Members may transfer all or any of his shares (except those Deposited Securities which are for the time being designated as securities in suspense) by instrument in writing in the form approved by the Rules. The instrument of transfer of any share shall be executed both by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Record of Depositors and/or the Register of Members as the case may be in respect thereof. Transfer in writing

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

(b) There should be no restriction on the transfer of fully paid shares except where required by law and no share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind. Prohibited transfer

(c) The Bursa Depository may refuse to register any transfer of Deposited Security that does not comply with the SICDA and the Rules. Right of Depository to Refuse to Register A Transfer

34. (a) The registration of transfers may be closed at such times and for such period as the Directors may from time to time determine, provided that it shall not be closed for more than thirty (30) days in any year and at least ten (10) market days' notice of books closure shall be given to the Exchange and advertised in a daily newspaper circulating in Malaysia. The notice shall state the period for which the books will be closed and the purpose(s) for such closure. The Company shall give notice in accordance with the Rules to enable the Bursa Depository to prepare the appropriate Record of Depositors. Closure of Registers

(b) The transfer books and Record of Depositors may be closed for the purpose of determining persons entitled to dividends, interest or new

securities or rights to a priority of application for issue of securities. The Company shall request the Bursa Depository in accordance with the Rules to issue a Record of Depositors as at a date not less than three (3) market days before the occurrence of the related event.

TRANSMISSION OF SHARES

Death of Member

35. In the case of the death of a Member, the legal representatives of the deceased shall be the only person recognised by the Company as having any title to his interest in the shares but nothing herein contained shall release the estate of the deceased Member from any liability in respect of the shares which had been held by the deceased Member.

Share of deceased or bankrupt Member

36. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have a person nominated by him registered as the transferee thereof, but the Board shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy.

Notice of election

37. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects. If he elects to have another person registered, he shall testify his election by executing to that person a transfer of the shares. All the limitations, restrictions and provisions of this Constitution relating to the rights to transfer shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

Persons entitled or who may receive dividend

38. Where the registered holder of any share dies or becomes bankrupt, his personal representative or the assignee of his estate, as the case may be, shall upon the production of such evidence as may from time to time be properly required by the Board and upon registration as a Member be entitled to the same dividends and other advantages and to the same rights (whether in relation to meetings of Members or to voting or otherwise) as the registered holder would have been entitled to if he had not died or become bankrupt.

Fee chargeable for registration

39. Fees may be charged by the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or notice in lieu of power of attorney or other document relating to or affecting the title to any share or otherwise for making an entry in the Register of Members affecting the title to any share but only to the extent permitted by law and by the Stock Exchange governing the Register upon which such share is registered.

Transmission of Securities Between Registers

40. Where:-

(a) the securities of the Company are listed on another Exchange; and

(b) the Company is exempted from compliance with Section 14 of the SICDA or Section 29 of the Securities Industry (Central Depositories) (Amendment) (No. 2) Act 1998, as the case may be under the Rules of Bursa Depository in respect of such securities,

the Company shall upon the request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange to the

register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.

FORFEITURE OF SHARES

41. If a Member fails to pay any call or instalment of a call on or before the day appointed for payment of the same, the Directors may, at any time thereafter whilst any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest or compensation which may have accrued. Notice Requiring Payment

42. The notice shall state 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 on which the call was made will be liable to be forfeited. Forfeiture Notice

43. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter before payment of all calls, interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors unless the payment as required by the notice has been made before such resolution. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. Non-Compliance with Notice

44. Any shares and dividends so forfeited shall be deemed to be the property of the Company. A forfeited share may be re-allotted or re-issued, either to the person who was before forfeiture 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 re-allotment or re-issue the forfeiture may be cancelled on such terms as the Directors think fit. Board may cancel forfeiture

45. A Person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with interest thereon at eight percentum (8%) per annum from the date of forfeiture until payment but the Directors shall be at liberty to waive payment of such interest wholly or in part. Liability of Member

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

47. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the re-allotment or re-issue thereof shall constitute a good title to the share, and the person to whom the share is re-allotted or re-issued shall be registered as the holder thereof, and his title to the share shall not be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, re-allotment or re-issue of the share. Subject to any lien for sums not presently payable, if any residue of the proceeds from re-allotment or re-issue of shares which are forfeited and sold, after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid to the person whose shares have been forfeited or to his executors, Conclusive evidence and procedure for sale of forfeited shares

administrators, or assignees or as he directs.

48. Where any share has been forfeited in accordance with this Constitution, notice of the forfeiture shall forthwith be given to the holder of the share or the person entitled to the share by reason of the death or bankruptcy, as the case may be. Notice of Forfeiture

CONVERSION OF SHARES INTO STOCK

49. The Company in general meeting may by Ordinary Resolution convert any paid-up shares into stock, and re-convert any stock into paid-up shares of any denomination. Conversion of Shares

50. The holders of stock may transfer the Shares 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. The Directors may fix the minimum amount of stock transferable and may restrict or forbid the transfer of fractions of that minimum, with power nevertheless, at their discretion to waive such stipulations in any particular case and provided further that the minimum amount of stock transferable shall not exceed the amount of the shares from which the stock arose. Transfer of Stock

51. The stockholders shall, according to the amount of the stock held by them, have the rights, privileges and advantages as regards dividends, participation in assets on a winding up, voting at meetings and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in dividends and in assets on a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage. Privileges of stockholders

52. Such of the provisions of this Constitution as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder" respectively. Definition of stock and stockholder

ALTERATION OF CAPITAL

53. The Company in general meeting may from time to time by Ordinary Resolution increase its capital by such sum, to be divided into shares of such amounts as the resolution shall prescribe. Power to increase in share capital

54. The Company in general meeting may by Ordinary Resolution:- Power to alter capital

(a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;

(b) convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares; or

(c) subdivide 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 share from which the subdivided share is derived.

55. The Company may also by Special Resolution reduce its share capital subject to any incident authorised and consent required by law. Power to reduce capital

GENERAL MEETINGS

56. The Company shall hold an annual general meeting in addition to any other meetings, within six (6) months of the Company's financial year end and not more than fifteen (15) months after the holding of the last preceding annual general meeting, but so long as the Company holds its first annual general meeting within eighteen (18) months of its incorporation, it need not hold it in the year of its incorporation or in the following year. — Annual General Meeting

57. The main venue of all meetings of members and annual general meetings shall be within Malaysia at such time and place as the Board shall determine. The chairperson shall be present at that main venue of the meeting. — Meeting of Members

58. The meeting of Members may be held at more than (1) one venue using any technology or method that enables the Members to participate and to exercise the Members' rights to speak and vote at the meeting. — Meeting of members at two or more venues

59. All general meetings other than annual general meeting shall be called extraordinary general meetings. All business that is transacted at any extraordinary general meeting shall be deemed special business. — Directors may call Extraordinary General Meeting ("EGM")

60. Subject to the provisions of the Act, the Directors shall call for a general meeting upon receipt by the Company of a requisition to do so by the Members representing not less than ten per cent (10%) of the paid-up capital of the Company upon which all calls or other sums then due have been paid (excluding any paid-up capital held as treasury Shares). — Requisition of Meetings

NOTICE OF GENERAL MEETINGS

61. The notices convening meetings shall be given to such Members, entitled to receive notices from the Company and also to the Company's Auditors. Every notice of meeting shall specify the place, date and time of the meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any Special Resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each Exchange upon which the Company is listed. — Notice of Meetings

62. The Company shall request the Bursa Depository in accordance with the Rules, to issue a Record of Depositors to whom notices of general meetings shall be given by the Company. — Record of Depositors

63. The Company shall request the Bursa Depository in accordance with the Rules, to issue a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than three (3) market days before the general meeting ("the General Meeting Record of Depositors"). — General Meeting Record of Depositors

64. 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. — Depositor's Right at General Meetings

65. A meeting shall, notwithstanding that it is called by shorter notice than that specified in Clause 61, be deemed to have been duly called if it is so agreed:- — Validity of meeting called by short notice

(a) in the case of a meeting called as the annual general meeting, by all Members having the right to attend and vote thereat; and

(b) in the case of any other meeting, by a majority in number of the Members having that right together holding not less than ninety-five per centum (95%) of the total number of shares giving a right to attend and vote at the meeting.

66. Every notice of meeting shall state with reasonable prominence that a Member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him and shall also specify the place at which the instrument of proxy is to be deposited. Requirement in notice calling meeting

67. The accidental omission to give notice of any meeting to or the non-receipt of the notice by any person shall not invalidate the proceedings at the meeting. Omission not to invalidate meeting

PROCEEDINGS AT GENERAL MEETINGS

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

69. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Two (2) Members present in person and entitled to vote shall be a quorum for all purposes. For the purposes of this Clause, "Member" includes a person attending as a proxy or representing a corporation which is a Member. Quorum

70. If within half (1/2) an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day be a public holiday, then to the next business day following that public holiday) at the same time and place, or such other date, time or place as the Directors determine, and if at such adjourned meeting a quorum is not present at an adjourned meeting within fifteen (15) minutes from the time appointed for holding the adjourned meeting, the Members present in person or by proxy, not being less than two (2), shall be a quorum. Adjournment

71. The Chairman of the Board (if any) shall preside as the chairperson at every general meeting of the Company. If there is no such Chairman or if the Chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, the Directors present shall choose one (1) of the Directors to act as the chairperson of the meeting, or if one (1) Director only is present he shall preside as the chairperson if he is willing to act. If no Director is chosen who shall be willing to act, the Member(s) or proxy(ies) present and entitled to vote shall elect one (1) among themselves to be the chairperson of the meeting. However, a proxy shall not be eligible for election as chairperson of the meeting. Chairperson of meeting of Members

72. The Chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When such meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall Chairman's Power to Adjourn

be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

73. If required under the applicable laws all resolutions put to vote at any meeting of Member shall be determined by poll unless such requirement is waived under the applicable laws. A poll shall be taken in such manner and either forthwith or after an interval or adjournment or otherwise as the chairperson directs and the result of the poll shall be the resolution of the meeting at which the poll was taken, but a poll demanded on the election of chairperson or on a question of adjournment shall be taken immediately. The Company shall appoint at least one (1) scrutineer scrutineer to validate the votes cast at general meeting, and may, in addition to the power of adjourning meetings contained in Clause 72 hereof adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll.

Resolutions put to Vote and Manner of Poll

The poll may be conducted manually using voting slips or electronically using various forms of electronic voting devices. Such votes shall be counted by the poll administrator, and verified by the scrutineer(s), as may be appointed by the Company for the purpose of determining the outcome of the resolution(s) to be decided on poll.

74. The chairperson of the meeting declares whether or not the resolutions put to vote at a meeting of Members are carried, based on the poll results, which show the total number of votes cast on the poll (together with the percentage) in favour of and against the resolution, as announced by the scrutineer.

Evidence of passing of resolutions

75. Subject to Clause 73, where a requirement to determine a resolution put to vote at the meetings of Members by poll is waived under the applicable laws, a resolution put to the vote at any meeting of Members shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:

Resolutions Put to Vote by Show of Hands Unless A Poll is Demanded

(a) by the chairman of the meeting;

(b) by at least three (3) Members present in person or by proxy or by attorney or in the case of a corporation, by a representative duly authorised in that behalf;

(c) by any Member or Members present in person or by proxy or by attorney or in the case of a corporation, by a representative duly authorised in that behalf and representing not less than ten per centum (10%) of the total voting rights of all Members having the right to vote at the meeting; 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 ten per centum (10%) of the total sum paid-up on all the Shares held by all Members present in person or by proxy or by attorney or in the case of a corporation, by a representative duly authorised in that behalf conferring that right.

76. Unless mandatory polling is required under the applicable laws or a poll is so demanded in accordance with Clause 75 a declaration by the chairperson of the meeting that a resolution has on a show of hands been passed unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

Declaration by Chairperson

77. The demand for a poll may be withdrawn and notice must be given of a poll not taken immediately. 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

Demand for Poll May Be Withdrawn

has been demanded.

78. The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to demand, or join in demanding a poll; and a demand for a poll by a person as proxy for a Member shall be the same as a demand by the Member. Right of Proxy to Demand For a Poll

79. If any votes shall have been counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting or at any adjournment thereof and unless in the opinion of the chairman 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. No Vitiation By Error

VOTE OF MEMBERS

80. 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. Second or Casting Vote By Chairman

81. Subject to this Constitution and to any rights or restrictions for the time being attached to any shares or classes of shares, at meetings of Members or classes of Members, each Member entitled to vote may vote in person or by proxy or by attorney. On a resolution to be decided by a poll, every Member voting in person or by proxy or by attorney shall have one (1) vote for each share he holds. Voting Rights

82. A Member who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote, whether on a show of hands or on a poll, by his committee or by such other person as properly as the management of his estate and any such committee or other person may vote by proxy or attorney. Vote of Member of unsound mind

83. Any person entitled under the transmission clauses of this Constitution to transfer any shares 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 transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof. Votes of person entitled under the transmission Clause

84. No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid. Member barred from voting while call is unpaid

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

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

87. Any Member may require the Company to give a notice of a resolution which may Members' power to

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

(a) in the case of a requisition requiring notice of a resolution, at least twenty-eight (28) days before the meeting; and

(b) in the case of any other requisition, at least seven (7) days before the meeting.

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

88. The instrument appointing a proxy shall be in writing signed by the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised. 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. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of a Company shall have the same rights as the Member to speak at the meeting. Instrument appointing proxy to be in writing & rights of proxy to speak

89. A Member may appoint up to two (2) proxies. Where two (2) proxies are appointed, the Member shall specify the proportion of his shareholdings to be represented by each proxy, failing which the appointment shall be invalid. Appointment of proxy

90. (a) Where a Member is an Authorised Nominee, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary Shares standing to the credit of the said Securities Account. Appointment of proxy by Exempt Authorised Nominee

(b) 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"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

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

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

93. A vote given in accordance with terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided Validity of vote given under proxy

that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Secretary before the commencement of the meeting or adjourned meeting at which the proxy is used**.**

DIRECTORS

94. Until otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2). Number of Directors

95. The fees of the Directors, and any benefits payable to the Directors including any compensation for loss of employment of a Director shall from time to time be approved at a general meeting by an Ordinary Resolution and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree provided always that:- Fees and Benefits of Directors

(a) salaries payable to Executive Director(s) may not include a commission on or percentage of turnover;

(b) fees payable to non-executive Directors shall be a fixed sum and not by a commission on or percentage of profits or turnover; and

(c) any fee paid to an alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

96. The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of Directors. Reimbursement of expenses

97. The office of a Director shall be vacated in any of the following events, namely:- When offices of Director deemed vacant

(a) if he resigns his office by notice in writing left at the Office; or

(b) if he becomes disqualified from being a Director under Section 198 or Section 199; or

(c) if he is absent from more than 50% of the total Board meetings of the Directors held during a financial year; or

(d) if he has retired in accordance with the Act or the Constitution of the Company but is not re-elected; or

(e) if he is removed from his office of Director by resolution of the Company in general meeting of which Special Notice has been given; or

(f) if he becomes prohibited or disqualified from being a Director by reason of any order made under the provisions of the Act or the Listing Requirements; or

(g) if he dies.

98. Other than the office of Auditors, a Director may hold any other office or place of profit under the Company and he or any firm of which he is a member may act in a professional capacity for the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. Director may act in his professional capacity

99. No Director or intending Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, 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, but the nature of his interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration or, if the Director was not at the date of that meeting interested in the proposed contract or arrangement, then at the next meeting of the Directors held after he became so interested or, in a case where the Director becomes interested in a contract or arrangement after it is made, at the first meeting of the Directors held after he becomes so interested. Provided nevertheless, that subject to any other provisions of this Constitution, a Director shall not vote in respect of any contract or arrangement or proposed contract or arrangement in which he has, directly or indirectly an interest and if he shall do so his vote shall not be counted, nor shall he be counted in the quorum present at a meeting upon the consideration of a motion concerning any such contract or arrangement, but neither of these prohibitions shall apply to any contract or arrangement for giving to a Director any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company.

Interested director may contract with company & Director shall not vote in any contract which he has an interest

100. A general notice in writing which complies with Section 221(4) of the Act, given to the Directors by any Director shall be deemed to be sufficient declaration of interest in relation to the subject matter of the notice.

101. The Directors shall cause to be kept the register of their holdings of shares and debentures of the Company and of its holding company (if any), and of any subsidiaries of the Company or its holding company, required by Section 59 of the Act, and shall render the same available for inspection during the period and by the persons therein specified, and shall produce the same at every annual general meeting as required by the Section.

Register of Director's shareholdings etc.

102. The business of the Company shall be managed by the Directors, who may pay all expenses incurred in forming and registering the Company and may exercise all such powers of the Company as are not by the Act or by this Constitution required to be exercised by the Company in general meeting, but no resolution passed by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if such resolution had not been made. The general powers given by this Clause shall not be limited or restricted by any special authority or power given to the Directors by any other Clause. Any sale or disposal by the Directors of a substantial portion of the Company's main undertaking or property shall be subject to ratification by shareholders in general meeting.

Power of Directors

103. The Directors may establish any local boards or agencies for managing any of the affairs of the Company in any part of the world, and may appoint any persons to be Member of such local boards, and any managers or agents, and may fix their remuneration, and may delegate to any local board , manager or agent any of the powers, authorities and discretions vested in the Directors with power to sub-delegate, and may authorise the Members of any local board, or any of them to fill any vacancies therein, and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit. The Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

Power to establish local boards or agencies

104. The Directors may establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension, provident or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or shall at any time in the employment or service of the Company or its predecessors in business or of any company which is a subsidiary or associate company of the Company or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid and holding or who held any salaried employment or office in the Company or such predecessors or other company and the wives, widows, families and dependents of any such persons, and may make payments for or towards the insurance of any such persons as aforesaid , and may do any of the matters aforesaid either alone or in conjunct ion with any such other company as aforesaid. Subject always, if the Act shall so require, to particulars with respect thereto being disclosed to the Members and to the proposal being approved by the Company by Ordinary Resolution, a Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emoluments. A Director may be counted in the quorum present at a meeting upon the consideration of a motion in respect of any matter referred to in this Clause and may vote as a Director upon any resolution in respect of any such matter notwithstanding that he is personally interested in such matter but only where such matter is intended to be for the benefit generally of all, or any class or classes, of such employees and servants or former employees or servants (including Directors or other officers) and/or their respective wives, widows, families and dependents.

Power to establish funds

105. The Directors may by power of attorney under the Seal appoint any corporation, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under this Constitution) and for such period and subject to such conditions as they may think tit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretion vested in him.

Power to appoint attorneys

106. The Directors may make and vary such regulations as they think fit in respect of the keeping of branch registers of Members pursuant to Section 53 of the Act.

107. The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or its subsidiaries.

Directors' borrowing powers

108. The Directors may exercise all the powers of the Company to guarantee the payment of money payable under contracts or obligations of any related company with or without securities.

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

Signing of cheques etc.

MANAGING DIRECTOR

110. The Board may, from time to time, appoint one or more of its body to the office of managing director for such period and on such terms as the Board thinks fit and may revoke any such appointment. Appointment of Managing Director

111. The Board may entrust to and confer upon a managing director any of the powers exercisable by the Board upon such terms and conditions and with such restrictions as the Board may think fit, and either collaterally with or to the exclusion of the Board's own powers, and may from time to time revoke, withdraw, alter or vary all or any of those powers. The managing director or a person holding an equivalent position shall be subject to the control of the Board. Power of Managing Director

112. A Managing Director shall be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of Director he shall ipso facto and immediately cease to be a Managing Director. The Managing Director shall be subject to retirement by rotation and he shall be taken into account in determining the rotation or retirement of Directors or in fixing the number of Directors to retire. Position of Managing Director

113. Subject to any other provisions of this Constitution, the remuneration of any managing director shall be determined by the Board and may be of any description but shall not include a commission on or a percentage of turnover, as the Board may determine. Remuneration of directors

ROTATION OF DIRECTORS

114. 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), the number nearest to one-third (1/3), shall retire from office at each annual general meeting and at the same time an election of Directors shall take place 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 Director retiring at a meeting shall retain office until the conclusion of the meeting. Retirement of Directors

115. The Directors to retire in every year shall be those who have been longest in office since their last election or appointment, but, as between persons who became or were last re-elected Directors on the same day, those to retire shall be determined by lot (unless they otherwise agree among themselves). A retiring Director shall be eligible for re- election. Selection of Directors to retire

116. The Company at the meeting at which a Director retires in the manner aforesaid shall fill up the vacated office by electing a person thereto and, in default, the retiring Director shall be deemed to have been re-elected unless at such meeting it is expressly resolved not to fill up the vacated office or a resolution for his re-election is put to the meeting and lost. Retiring Director deemed to be reappointed

117. 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. Notice of intention to appoint Director

118. The Company may from time to time by Ordinary Resolution passed at a meeting of Members increase or reduce the number of Directors to be appointed to the Board and may also determine in what rotation the increased or reduced number is to retire from office.

Increase or reduction of number of Directors

119. 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 Directors. Any Director so appointed shall hold office only until the next annual general meeting of the Company and shall be eligible for re-election. A Director retiring under this Clause shall not be taken into account in determining at such meeting the Directors or the number of Directors to retire by rotation at such meeting.

Power to fill vacancies and to appoint additional Directors

120. Except as otherwise authorised by Section 203 of the Act, at any general meeting at which more than one (1) Director is to be elected, each candidate shall be the subject of a separate motion and vote unless a motion for the appointment of two (2) or more persons as the Directors by a single resolution shall have first been agreed to by the meeting without any vote being given against it.

Motion for appointment of Directors

121. Without prejudice to the provisions of Section 206 of the Act, the Company may by Ordinary Resolution of which special notice has been given remove any Director before expiration of his period of office, and may by an ordinary resolution appoint another person in his place. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he was appointed was last elected or appointed a Director.

Removal of Directors

PROCEEDINGS OF DIRECTORS

122. The Third Schedule of the Act does not apply to the Company.

Non Applicability of Third Schedule of the Companies Act,2016

123. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. A Director may at any time and the Secretary shall on his requisition summon a meeting of the Directors.

Meeting of Directors

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

Notice of Directors Meeting

125. The Directors may elect a chairman of their meetings and determine the period for which he is to hold office but, if no such chairman is elected, or if at any meeting the chairman is not present within fifteen (15) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

Chairman of Directors Meeting

126. Subject to this Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a decision of the Board and provided always that in the case of an equality of votes, the chairperson of the meeting shall have a second or casting vote. However, in the case of an equality of votes and where two (2) Directors form a quorum, the chairperson of a meeting at which only such a quorum is present or at which only two (2) Directors are competent to vote on the question at issue, shall not have a casting vote.

Chairman to have casting vote

127. The quorum necessary for the transaction of the business of the Directors shall be two (2) unless otherwise determined by the Directors. A Director shall be deemed to be present at a meeting of Directors if he participates by telephone, video-conferencing or other electronic means and all Directors participating in the meeting are able to hear each other and recognise each other's voice, and for this purpose, participation constitutes prima facie proof of recognition. For the purposes of recording attendance, the Chairman or Secretary shall mark on the attendance sheet that the Director was present and participating by telephone, video-conferencing or other electronic means. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all powers and discretion for the time being exercisable by the Directors.

Quorum for Directors' meetings

128. The remaining Directors may continue to act notwithstanding any vacancy in the Board, but if and so long as their numbers is reduced below the minimum number fixed by or in accordance with this Constitution, the remaining Directors 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.

Number of Directors below minimum

129. A resolution in writing signed by a majority of the Directors or their alternates not being less than two (2) Directors shall be as valid and effectual as if it had been passed by a meeting of Directors duly called and constituted . Any such resolution may consist of several documents in like form each signed by one (1) or more Directors. Any such document, may be accepted as sufficiently signed by a Director if transmitted to the Company by facsimile or other electrical or digital written message purporting to include a signature of a Director but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate director, it need not be signed by the alternate Director in that capacity. A copy of such resolution shall be entered in the Company's minutes book.

Directors' Resolution in writing

130. The Directors may delegate any of their powers to committee consisting of such Member or Members of their body as they think fit. Any such committee shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Directors.

Directors' power to appoint committee

131. The meetings and proceedings of any such committee consisting of two (2) or more Members shall be governed by the provisions of this Constitution regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Clause.

Meetings of committee

132. All acts done by any meeting of Directors or of a committee of Directors, or by any person acting as a Director shall, notwithstanding it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director.

Directors ' acts to be valid

ALTERNATE DIRECTORS

133. A Director may appoint any person (other than a Director) approved by a majority of the other Directors to act as his alternate Director and at his discretion by way of a notice to the Company, remove such alternate Director from office. An alternate Director may only be appointed as an alternate to one Director at any point in time. Any fee paid by the Company to an alternate Director shall be deducted from that Director's remuneration. Appointment or removal of an Alternate Director

Any appointment or removal of an alternate Director may be made in writing and sent by hand, post, facsimile or in any other form or manner, electronic or otherwise, as approved by the Board.

134. An alternate Director shall (subject to his giving to the Company an address within Malaysia at which notices may be served upon him) be entitled to receive notices of all meetings of the Board, attend and vote as a Director at any such meeting at which his appointor is not personally present and generally perform all the functions of his appointor as a Director in his absence. Rights of an alternate director

135. An alternate Director shall not be taken into account in reckoning the minimum or maximum number of Directors allowed for the time being but he shall be counted for the purpose of reckoning whether a quorum is present at any meeting of the Directors attended by him at which he is entitled to vote.

136. An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director otherwise than by retiring and being re-elected at the same meeting. Cessation of appointment an alternate director

137. Every person acting as a substitute for a Director shall be deemed to be an officer of the Company, and shall be responsible to the Company for his own acts and defaults, and shall not be deemed to be the agent of or for the Director appointing him.

SECRETARY

138. The Secretary or Secretaries 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 or Secretaries so appointed may be removed by them. The Directors may from time to time by resolution appoint a temporary substitute for the Secretary or Secretaries who shall be deemed to be the Secretary during the term of his appointment. Secretary

139. Subject to the terms of his appointment and in accordance with the Act, the Secretary may resign from his office by giving a written notice of his intention to the Board. Resignation of secretary

MINUTES

140. The Directors shall cause minutes to be made in books provided for the purpose:- Minutes

(a) of all appointments of officers made by the Directors;

(b) of the names of the Directors present at each meeting of Directors and of any committee of Directors; and

(c) of all resolutions and proceedings at all meetings of the Company and of the Directors and of 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.

REGISTERS TO BE KEPT

141. The Company shall also keep at the Office, registers which shall be open to the inspection of any Member without charge and to any other person on payment of not exceeding RM10.00 for each inspection, of all such matters required to be so registered under the Act, and in particular:-

(a) a register of substantial shareholders and of information received in pursuance of the requirements under Section 144 of the Act; and

(b) a register of the particulars of each of the Directors' shareholdings and interests as required under Section 59 of the Act.

THE SEAL

142. The Board shall provide for the safe custody of the Seal which shall only be used pursuant to a resolution of the Directors or a committee of the Board authorised to use the Seal. Every instrument to which the Seal is affixed shall be autographically signed by a Director and either by a second Director or by the Secretary or by another person appointed by the Board for the purpose, save and except that, in the case of a certificate or other document of title in respect of any share, stock, loan stock or debenture as defined in the Act or any other obligations, warrants, call warrants or securities and instruments of any kind whatsoever relating to all the aforesaid created or issued or dealt with or marketed or sold by the Company, such certificate or document of title may be created or issued under the Seal or the Share Seal (for affixing onto share certificates only pursuant to Clause 143 hereof), as the case may be, of the Company and the Board may by resolution determine that such signatures may be affixed by some mechanical electronic facsimile or autographical means or by such other means to be specified by the Board from time to time in such resolution. Use of seal

143. The Company may also have a Securities Seal pursuant to Section 63 of the Act. All forms of certificate for shares, stock or debenture stock or representing any other form of security other than letters of allotment shall be issued under the Securities Seal and bear the autographic signatures of a Director and countersigned by a second Director or the Secretary or anyone whose signature the Board may by resolution determine to be an authorised signatory from time to time; provided that the Board may by resolution determine that such signatures be affixed by some method or system of mechanical signature. Official seal for share certificate

144. The Company may exercise the powers conferred by Section 62 of the Act with regard to having an official seal for use outside Malaysia and conferred by Section 63 of the Act with regard to having a duplicate common seal and such powers shall be vested in the Directors. Official Seal for use outside Malaysia

DIVIDENDS AND RESERVES

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

146. The Board may authorise a distribution at such time and in such amount as the Board considers appropriate, if the Board is satisfied that the Company will be solvent immediately after the distribution is made. The Company is regarded as solvent if the Company is able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution is made. Distribution only if the company is solvent

147. The Directors may pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the Company Interim Dividend

148. 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 shall rank for dividend accordingly. Payment of dividends

149. 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 (1) 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 of Members and the 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 sixty (60) 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 law of any territory where the Company may be resident. Payment of dividends in other currencies

150. Any general meeting declaring a dividend may, upon the recommendation of the Directors, 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. The Directors shall give effect to such direction, and where any difficulty arises in regard to such distribution the Directors may settle it as they think expedient, and in particular may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of those entitled to participate in the dividends as may seem expedient to the Directors. Distribution of specific assets

151. The Directors may, before recommending any dividend, set aside out of the profits of the Company and carry to reserve or reserves such sums as they think proper, and the sums represented thereby shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may properly be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company, if any) as the Directors may from time to time think fit. Directors may form reserve fund and invest

152. The Directors may deduct from any dividend payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. Deduction of dividends

153. No dividend shall bear interest against the Company. All unclaimed dividends shall be dealt with in accordance with the provisions of the Unclaimed Moneys Act 1965. Unclaimed dividends

154. Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder who is named on the Register of Members or to such person and to such address as the holder may in writing direct or by way of telegraphic transfer or electronic transfer or remittance to such account as designated by such holder or the person entitled to such payment. Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall be made payable to the order of the person to whom it is sent and the payment of any such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall operate as a good and full discharge to the Company in respect of the payment represented thereby, notwithstanding that in the case of payment by cheque or warrant, it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall be sent at the risk of the person entitled to the money thereby represented.

Payment by cheque or telegraphic transfer or electronic transfer

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

Dividends may be retained until registration

CAPITALISATION OF PROFITS AND RESERVES

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

Bonus Issue

157. Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the sum 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, and shall have full power to make such provision, by way of crediting the Securities Accounts of the allottees with such shares or by payment in case or otherwise as they think fit, for shares or debentures becoming distributable in fractions, and also to authorise any person to enter, on behalf of all Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf by the application thereto of their respective proportions of the sums resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members.

Power of application of undivided profits

ACCOUNTS

158. The Directors shall cause to be kept such books of accounts as are necessary to

Books of Accounts

exhibit and explain the transactions and financial position of the Company as are necessary to comply with the provisions of the Act. open to inspection

159. The books of account shall be kept at the Registered Office or (subject to the provisions of the Act) at such other place as the Directors think fit, and shall at all times be open to inspection by the Directors. No Member (other than a Director) shall have any right of inspecting any account or book or document of the Company, except as conferred by the Act or authorised by the Directors or by the Company in general meeting.

160. The Directors shall from time to time in accordance with the Act cause to be prepared and to be laid before the Company in general meeting audited financial statements and Directors reports as are referred to in the Act. The interval between the close of a financial year of the Company and the issue of the annual audited financial statements, the Directors' and Auditors' reports shall not exceed four (4) months or such other period as may be directed by the Stock Exchange. Presentation of accounts

161. A copy of every audited financial statements, the Directors' and Auditors' reports (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting accompanied by a copy of the Directors' and Auditors' reports in printed form or in CD-ROM form or in such other form of electronic media shall, at least twenty-one (21) days before the date of the meeting, be delivered or sent by post to every Member and debenture holder of the Company of whose address the Company is aware, and to the Company's Auditors and the requisite number of copies of each of these documents shall at the same time be forwarded to the Stock Exchange upon which the Company's shares are listed. Circulating Copies of Audited Financial Statements and Directors' Report

AUDIT

162. Auditors of the Company shall be appointed and their duties regulated in accordance with Section 262 to 273 of the Act. Auditor

163. The Auditors' report to the Members made pursuant to the statutory provisions as to audit shall be open to inspection by any Member who shall be entitled to be furnished with a copy of the audited financial statements (including every document required by law to be annexed thereto) and Auditors' report in accordance with Section 266 of the Act.

NOTICES

164. Any notice or document required to be sent to Members may be given by the Company or the Secretary to any Member:- Service of Notice

(a) in hard copy, either personally or sent by post to him in a prepaid letter addressed to him at his last known address;

(b) in electronic form, and sent by the following electronic means:-

(i) transmitting to his last known electronic mail address; or

(ii) publishing the notice or document on the Company's website provided that a notification of the publication of the notice or document on the website via hard copy or electronic mail or short messaging service has been given in accordance with Section 320 of the Act and the Listing Requirements; or

(iii) using any other electronic platform maintained by the Company or third

parties that can host the information in a secure manner for access by Members provided that a notification of the publication or availability of the notice or document on the electronic platform via hard copy or electronic mail or short messaging service has been given to them accordingly.

165. Any Member described in the Register of Members and the Record of Depositors by an address which is neither within Malaysia nor within any territory within which a branch register of the Company is situated who shall from time to time give to the Company an address within Malaysia or such territory, shall be entitled to have notices served upon him at such address, but, save as aforesaid, no Member other than a registered Member described in the Register of Members and the Record of Depositors by an address within Malaysia or such territory shall be entitled to receive any notice from the Company. Service of notice to Members not within Malaysia

166. Any notice or document shall be deemed to have been served by the Company to a Member:- Effective Notice

(a) Where the notice or document is sent in hard copy by post, on the day the prepaid letter, envelope or wrapper containing such notice or document 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 addressed and posted to the Member shall be sufficient to prove that the letter, envelope or wrapper was so addressed and posted.

(b) Where the notice or document is sent by electronic means:-

(i) via electronic mail, at the time of transmission to a Member's electronic mail address pursuant to Clause 164(b)(i), 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; or

(ii) 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 Clause 164(b)(ii); or

(iii) via electronic platform maintained by the Company or third parties, on the date the notice or document is first made available thereon provided that the notification on the publication or availability of the notice or document on the relevant electronic platform has been given pursuant to Clause 164(b)(iii).

In the event that service of a notice or document pursuant to Clause 164(b) 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 Clause 164(a) hereof.

167. A notice and/or document required to be sent to Members may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a Member by sending it through representatives of the deceased or assignee of the bankrupt or by any like description, at his last known address, in any manner in which the same might have been served if the death or bankruptcy has not occurred. Every person who by operation of law, transfer, transmission or other means whatsoever shall become entitled to any share, shall be bound by every notice and/or document in respect of such share which, prior to his name and/or address being entered in the Register of Members as the registered holder of such share have been duly given to the person from whom he derives the title to Notice in case of death or bankruptcy

such share.

168. Any notice and/or document required by a court of law or otherwise required or allowed to be given by the Company to the Members or any of them, and not expressly provided for by this Constitution or which cannot for any reason be served in the manner referred to in Clause 164 and 166 hereof, shall be sufficiently given if given by advertisement, and any notice and/or document required to be or which may be given by advertisement, shall be deemed to be duly advertised once advertised in a widely circulated newspaper in Malaysia in the national language and in a widely circulated newspaper in Malaysia in the English language.

Notice and/or document given by advertisement

WINDING UP

169. If the Company shall be 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 Members 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.

Distribution of assets in specie

170. Save that this Clause shall be without prejudice to the rights of holders of shares issued upon special terms and conditions, the following provision shall apply:

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

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

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

Voluntary liquidation and Liquidator's commission

INDEMNITY

172. Subject to the provisions of the Act, every Director or other officer of the Company shall be entitled to be indemnified out of assets of the Company against all losses or liabilities (including any such liability as is mentioned in the Act), which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no such Director or other officer shall be liable for any loss, damage or misfortune which may happen to or to be incurred by the Company in the execution of the duties of his office or in relation thereto unless the same happens through his own negligence, willful, default, breach of duty or breach of trust.

Indemnity for Company's Officers

Further, every Director, Managing Director, agent, auditor, secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Act in which relief is granted to him by the Court in respect of any negligence default breach of duty or breach of trust.

SECRECY CLAUSE

173. Save as may be expressly 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 or any matter which is or may be in the nature of a trade secret, mystery of trade 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 interests of the Members of the Company to communicate to the public. Secrecy

ALTERATION OF CONSTITUTION

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

EFFECTS OF THE LISTING REQUIREMENTS

175. (a) Notwithstanding anything contained in this Constitution, if the Listing Requirements prohibit an act being done, the act shall not be done. Effects of the Listing Requirements

(b) Nothing contained in this Constitution prevents an act being done that the Listing Requirements require to be done.

(c) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).

(d) If the Listing Requirements require this Constitution to contain a provision and they do not contain such a provision, this Constitution are deemed to contain that provision.

(e) If the Listing Requirements require this Constitution not to contain a provision and they contain such a provision, this Constitution is deemed not to contain that provision.

(f) 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.

THE ACT, CENTRAL DEPOSITORIES ACT AND THE RULES

176. Notwithstanding this Constitution, the Company shall comply with the Act, Central Depositories Act, the Listing Requirements and the Rules in respect of all matters relating to Securities or otherwise where applicable.

Compliance with the Act, Central Depositors Act and Rules.