

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

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

Pursuant to the provisions of Practice Note 18 of the Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) on the perusal of circulars and other documents, Bursa Securities has not perused Part A, Part B (Proposed Renewal of Shareholders’ Mandate for the Existing Recurrent Related Party Transactions of A Revenue or Trading Nature and Provision of Financial Assistance) and Part C of this Statement/Circular prior to its issuance, as it is an Exempt Statement/Circular. Bursa Securities takes no responsibility for the contents of this Statement/Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the content of this Statement/Circular.



**Wah Seong Corporation Berhad**

(Company No. 495846-A)  
(Incorporated in Malaysia)

**PART A**

**STATEMENT OF SHARE-BUY BACK IN RELATION TO THE PROPOSED RENEWAL OF  
AUTHORITY TO BUY-BACK ITS OWN SHARES BY THE COMPANY**

**PART B**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO  
PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR THE EXISTING RECURRENT  
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROVISION OF  
FINANCIAL ASSISTANCE**

**PROPOSED NEW SHAREHOLDERS’ MANDATE FOR ADDITIONAL RECURRENT RELATED  
PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**PART C**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO  
PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY**

The above proposals will be tabled as Special Businesses at the Nineteenth Annual General Meeting (“**AGM**”) of Wah Seong Corporation Berhad (“**the Company**”). Notice of the Nineteenth AGM of the Company together with the Form of Proxy is set out in the 2018 Annual Report of the Company.

You are requested to complete the Form of Proxy for the Nineteenth AGM and deposit it at the Registered Office of the Company at Suite 19.01, Level 19, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting thereof and in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll at the Nineteenth AGM should you be unable to attend the meeting. Pursuant to Paragraph 8.29A(1), Chapter 8 of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in the Notice of the Nineteenth AGM are required to be voted by poll. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy :	Monday, 13 May 2019 at 11.00 a.m.
Date and time of the AGM :	Wednesday, 15 May 2019 at 11.00 a.m.
Place of the AGM :	Perdana IV, Level 3, Cititel Hotel, 66 Jalan Penang, 10000 Penang, Malaysia

## DEFINITIONS

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

Act	Companies Act, 2016, as amended from time to time and any re-enactment thereof
AGM	Annual General Meeting
Board	Board of Directors of WSC
Bursa Securities	Bursa Malaysia Securities Berhad (635998-W)
Directors	Shall have the meaning given in Section 2(1) of the Capital Markets & Services Act, 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director of WSC or any other company which is a subsidiary of WSC or holding company of WSC or a chief executive officer of WSC, its subsidiaries or holding company
EPS	Earnings per share
LPD	29 March 2019, being the latest practicable date prior to the printing of this Statement/Circular
Main Market Listing Requirements	The Main Market Listing Requirements of Bursa Securities, including any amendments to the same that may be made from time to time
Major Shareholder	<p>Means a person who has an interest or interests in one (1) or more voting shares in a corporation and the number or aggregate number of those shares, is -</p> <p>(a) ten per centum (10%) or more of the total number of voting shares in the corporation; or</p> <p>(b) five per centum (5%) or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.</p> <p>For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act</p> <p>A Major Shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of WSC or any other corporation which is its subsidiary or holding company</p>
NA	Net assets
Proposed Adoption of Constitution	Proposed Adoption of New Constitution of the Company
Proposed Share Buy-Back	Proposed renewal of authority to buy-back its own shares by the Company of up to a maximum of ten per centum (10%) of its total number of issued shares

## DEFINITIONS (Continued)

Proposed Shareholders' Mandates	Proposed renewal of shareholders' mandate for the Group's existing Recurrent Related Party Transactions and Provision of Financial Assistance and Proposed new shareholders' mandate for the Group's additional Recurrent Related Party Transactions
Provision of Financial Assistance	Pooling of funds within WSC and/or its subsidiaries via a centralised treasury management function or such similar arrangements which entails the provision of financial assistance by the Company and/or its subsidiaries on a short or medium term basis
Purchased Shares	Shares that have been purchased by the Company pursuant to the Proposed Share Buy-Back
Related Party	Means a Director, Major Shareholder or person connected with such Director or Major Shareholder
Recurrent Related Party Transactions	Transactions which are regarded as recurrent, of a revenue or trading nature and which are necessary for day-to-day operations of the WSC Group
RM and sen	Ringgit Malaysia and sen respectively
Rules	Rules on Take-Overs, Mergers and Compulsory Acquisitions, 2016 as amended from time to time and any re-enactment thereof
Shares	Ordinary shares in WSC
Substantial Shareholder	Means a person who has an interest in one (1) or more voting shares in the company and the number or the aggregate number of such shares is not less than five per centum (5%) of the total number of all the voting shares included in the company
WSC or the Company	Wah Seong Corporation Berhad (495846-A)
WSC Group or the Group	WSC and its subsidiaries

Note : Words importing the singular shall, where applicable, include the plural, and vice-versa.

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## **PART A**

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PART A

**PROPOSED RENEWAL OF AUTHORITY TO BUY-BACK ITS OWN SHARES BY  
THE COMPANY**



## Wah Seong Corporation Berhad

(Company No. 495846-A)

(Incorporated in Malaysia)

Registered Office :  
Suite 19.01, Level 19  
The Gardens North Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Malaysia

16 April 2019

### Board of Directors:

Dato' Seri Robert Tan Chung Meng (*Non-Independent Non-Executive Chairman*)

Chan Cheu Leong (*Managing Director / Group Chief Executive Officer*)

Giancarlo Maccagno (*Deputy Managing Director*)

Professor Tan Sri Lin See Yan (*Senior Independent Non-Executive Director*)

Halim Bin Haji Din (*Independent Non-Executive Director*)

Tan Jian Hong, Aaron (*Non-Independent Non-Executive Director*)

Tan Sri Saw Choo Boon (*Independent Non-Executive Director*)

### To : The Shareholders of Wah Seong Corporation Berhad

Dear Sir/Madam,

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### PROPOSED RENEWAL OF AUTHORITY TO BUY-BACK ITS OWN SHARES BY THE COMPANY

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#### 1. INTRODUCTION

The Board of Directors of the Company had on 15 March 2019 announced to Bursa Securities that the Company proposes to seek its shareholders' approval for the renewal of authority to purchase its own Shares of up to ten per centum (10%) of the total number of issued shares of the Company at the forthcoming Nineteenth AGM, to be held on Wednesday, 15 May 2019 at 11.00 a.m.

The purpose of this Statement is to provide you with the details of the Proposed Share Buy-Back and to seek your approval for the Ordinary Resolution to be tabled at the forthcoming Nineteenth AGM.

#### 2. DETAILS OF THE PROPOSED SHARE BUY-BACK

##### 2.1 Proposed Share Buy-Back

At the Eighteenth AGM held on 25 May 2018, the Company had obtained authorisation from its shareholders to purchase up to ten per centum (10%) of the total number of issued shares of the Company. The authorisation granted shall in accordance to the Main Market Listing Requirements, lapse at the conclusion of the forthcoming Nineteenth AGM of the Company which will be held on Wednesday, 15 May 2019 at 11.00 a.m. unless the authority is renewed.



In this regard, the Company proposes to seek renewal of the authority from its shareholders to purchase from time to time and at any time up to ten per centum (10%) of the total number of issued shares of the Company.

The shareholders' authorisation for the Proposed Share Buy-Back will be effective upon the passing of the Ordinary Resolution for the Proposed Share Buy-Back at the forthcoming Nineteenth AGM until:

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

whichever occurs first but not so as to prejudice the completion of the purchase(s) made by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Main Market Listing Requirements or any other relevant authorities.

As at 29 March 2019, being the LPD prior to the printing of this Statement of Share Buy-Back, based on the total issued shares of the Company of RM547,690,000.00 comprising 774,888,294 Shares, a total of up to 77,488,829 Shares may be purchased by the Company, representing ten per centum (10%) of the total number of issued shares of the Company (inclusive of 4,426,938 Shares already purchased and retained as treasury shares). As such, the balance that can be purchased as at to-date is 73,061,891 Shares.

The purchase by the Company of its own shares will be carried out on Bursa Securities through its appointed stockbroker(s).

## **2.2 Shareholding Spread**

The Proposed Share Buy-Back will be in accordance with Section 127 of the Act and any prevailing laws, orders, requirements, guidelines, rules and regulation issued by the relevant authorities at the time of purchase including compliance with the twenty-five per centum (25%) shareholding spread as required by the Main Market Listing Requirements.

As at 29 March 2019, being the LPD prior to the printing of this Statement, the public shareholding spread of the Company was 46.52%. The public shareholding spread is expected to be reduced to 40.91% assuming the Proposed Share Buy-Back is implemented in full with the purchases from the market and all the Shares so purchased are fully cancelled.

## **2.3 Funding**

The Proposed Share Buy-Back will be financed through internally generated funds and/or bank borrowings. The maximum amount of funds to be utilised by the Company for the Proposed Share Buy-Back shall not exceed the retained profits of the Company as at 31 December 2018 of RM244,124,000.00, otherwise available for distribution as dividends.

In the event that the Company intends to purchase its own Shares using bank borrowings, the Board shall ensure that the Company shall have sufficient funds to repay such borrowings and that the repayment would not have any material effect on the cash flow of the Group.

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## **2.4 Treatment of Shares Purchased**

Pursuant to the provisions of Section 127 of the Act, the Company may either retain the Purchased Shares as treasury shares or cancel the Purchased Shares or a combination of both. The Directors of the Company may treat the treasury shares as follows pursuant to Section 127(7) of the Act:-

- (i) distribute the treasury shares as dividends to shareholders, such dividends to be known as “share dividends”;
- (ii) resell the treasury shares or any of the treasury shares in accordance with the relevant rules of Bursa Securities;
- (iii) transfer the treasury shares or any of the treasury shares for the purposes of or under an employees’ share scheme;
- (iv) transfer the treasury shares or any of the treasury shares as purchase consideration;
- (v) cancel the treasury shares or any of the treasury shares; or
- (vi) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister (as defined in the Act) may by order prescribe.

To date, the Company has yet to determine the manner in which the Purchased Shares are to be treated. However, the Board will deal with the Purchased Shares in accordance with Section 127 of the Act and will make an immediate announcement to Bursa Securities regarding the treatment of the Purchased Shares, whether the Shares purchased will be cancelled, retained as treasury shares, distributed as dividend to the shareholders and/or resold on Bursa Securities, or a combination of the above, once determined.

## **2.5 Ranking**

Whilst the Purchased Shares are held as treasury shares, Section 127(8) and Section 127(9) of the Act state that the rights attached to them as to voting, dividends and participation in other distribution and otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of Shares or of a class of Shares for any purposes including substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

## **2.6 Pricing**

Pursuant to the Main Market Listing Requirements, the Company may only purchase its own Shares on Bursa Securities at a price not more than fifteen per centum (15%) above the weighted average market price of the Shares for the five (5) market days immediately preceding the date(s) of purchase(s).

If the treasury shares are subsequently resold on Bursa Securities, the selling price of the said shares has to be:-

- (a) a price which is not less than the weighted average market price of the Shares for the five (5) market days immediately prior to the resale; or
- (b) a discounted price of not more than five per centum (5%) to the weighted average market price of the Shares for the five (5) market days immediately prior to the resale provided that:-
  - the resale takes place not 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.

## **2.7 Purchase, Resale and/or Cancellation of Treasury Shares Made in the Previous Twelve (12) Months**

In the previous twelve (12) months, the Company has made purchases as listed in the attached Appendix II from the open market.

There was no resale or cancellation of treasury shares in the previous twelve (12) months. As at 29 March 2019, being the LPD prior to the printing of this Statement, the Company held a total of 4,426,938 treasury shares.

## **2.8 Distribution of Treasury Shares as Share Dividend in the Previous Twelve (12) Months**

There was no distribution of treasury shares as share dividend in the previous twelve (12) months.

## **2.9 Implication of the Rules**

In the event that the Proposed Share Buy-Back results in any Major Shareholder and/or person(s) acting in concert with them holding more than thirty three per centum (33%) of the voting shares of the Company, pursuant to the Rules, the affected Major Shareholder will be obliged to make a mandatory general offer for the remaining Shares not held by it.

In the event that the Proposed Share Buy-Back results in any Major Shareholder and/or person(s) acting in concert with them who already holds more than thirty three per centum (33%) but not more than fifty per centum (50%) of the voting shares of the Company increasing by more than two per centum (2%) in any six (6) months period, pursuant to the Rules, the affected Major Shareholder will be obligated to make a mandatory general offer for the remaining Shares not held by it.

However, an exemption may be granted by the Securities Commission under Rule 4.15 of the Rules, subject to the affected Major Shareholder and persons acting in concert complying with certain conditions of the Rules, if the obligation is triggered.

## **3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back will give the Company the flexibility to purchase Shares, if and when circumstances permit, with a view to enhance the EPS of the Group and NA per share of the Company.

## **4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK**

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

### **4.1 Potential Advantages**

- (i) The Company would expect to enhance the EPS of the Group (in the case where the Directors resolve to cancel the Shares so purchased and/or retain the Shares in treasury and the treasury shares are not subsequently resold), and thereby long-term and genuine investors are expected to enjoy a corresponding increase in the value of their investments in the Company;
- (ii) If the Shares bought back are kept as treasury shares, it will give the Directors an option to sell the Shares so purchased at a higher price within the intention of realising a potential capital gain for the Company without affecting the total number of issued shares of the Company. Alternatively, the Shares so purchased can be distributed as share dividends to shareholders and it will serve to reward the shareholders of the Company;
- (iii) The Company may be able to stabilise the supply and demand, as well as the price of its Shares in the open market and thereby supporting its fundamental values;
- (iv) It allows the Company flexibility in attaining its desired capital structure; and
- (v) It will enable the Company to utilise its surplus financial resources which is not immediately required for other usage as an additional option to utilise its financial resources more efficiently.

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## 4.2 Potential Disadvantages

- (i) the Proposed Share Buy-Back, if exercise, will reduce the financial resources of the Company and may result in the Company foregoing other alternative investment opportunities which may emerge in the future or, at the least, deprive the Company of interest income that can be derived from the funds utilised for the Proposed Share Buy-Back; and
- (ii) the Proposed Share Buy-Back if implemented, may result in a lower amount of cash reserves available for distribution in the form of cash dividends to shareholders. However, the financial resources of the Company may increase upon resale of the Purchased Shares held as treasury shares at prices higher than the purchased price.

The Proposed Share Buy-Back is not expected to have any potential material disadvantage to the Company and its shareholders, other than as disclosed above, as it will be exercised only after careful consideration of the financial resources of the Group and of the resultant impact on its shareholders.

Nevertheless, the Board will be mindful of the interest of the Company and its shareholders in undertaking the Proposed Share Buy-Back and the subsequent resale of treasury shares on Bursa Securities.

## 5. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

Based on the assumption that the Proposed Share Buy-Back is carried out in full, the financial effects are summarised below:-

### Share Capital

In the event that the Proposed Share Buy-Back is exercised in full and on the assumption that all the Shares purchased are cancelled, the proforma effects on the total number of issued shares of the Company as at 29 March 2019, being the LPD prior to the printing of this Statement, are as follows :-

	No. of Shares	RM
Issued Shares	774,888,294	547,690,000.00
Shares to be purchased and cancelled pursuant to the Proposed Share Buy-Back	(77,488,829)*	54,768,999.72
After the Proposed Share Buy-Back	697,399,465	492,921,000.30

\* Including 4,426,938 Shares which have been purchased by the Company previously and retained as treasury shares.

However, there should be no effect on the total number of issued shares of the Company if the Shares so purchased are retained as treasury shares.

### Earnings Per Share

The effect of the Proposed Share Buy-Back on the EPS of the Group will depend on the purchase price(s) of the Shares and the actual number of Shares bought back. The reduced total number of issued shares subsequent to the Proposed Share Buy-Back will generally have a positive impact, all else being equal, on the Group's EPS.

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## Net Assets

The effect of the Proposed Share Buy-Back on the NA per share of the Group is dependent on the purchase price(s) of the Shares purchased. If the purchase price is less than the audited NA per share of the Group at the time of purchase, the NA per share will increase. Accordingly, if the purchase price exceeds the audited NA per share of the Group at the time of purchase, the NA per share will decrease.

## Working Capital

The Proposed Share Buy-Back is likely to reduce the working capital of the Group, the quantum of which depends on, amongst others, the number of Shares purchased, the purchase price of the Shares and any associated costs incurred in making the purchase.

However, if the Purchased Shares kept as treasury shares are resold on Bursa Securities, the working capital of the Group would increase if the Company realises a gain from the resale.

The quantum of the increase in the working capital will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

## Dividends

The Proposed Share Buy-Back may reduce the amount of the retained profits available for payment of dividend in the immediate future.

## 6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The Directors, Substantial Shareholders and persons connected to the Directors and/or Substantial Shareholders of the Group have no direct or indirect interest in the Proposed Share Buy-Back and/or the resale of treasury shares, if any.

The proforma table below shows the equity interests held directly and indirectly in the Company by the Directors and Major Shareholders of the Company as at 29 March 2019, being the LPD prior to the printing of this Statement, before and after the Proposed Share Buy-Back :-

Directors	No. of Shares Held							
	Before Proposed Share Buy-Back <sup>(h)</sup>				After Proposed Share Buy-Back <sup>(i)</sup>			
	Direct Interest		Indirect Interest		Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Seri Robert Tan Chung Meng	11,761,308	1.5265	310,511,267 <sup>(c)</sup>	40.3020	11,761,308	1.6865	310,511,267 <sup>(c)</sup>	44.5241
Chan Cheu Leong	20,575,062	2.6705	42,509,527 <sup>(e)</sup>	5.5174	20,575,062	2.9502	42,509,527 <sup>(e)</sup>	6.0954
Halim Bin Haji Din	-	-	-	-	-	-	-	-
Giancarlo Maccagno	16,680,277	2.1650	-	-	16,680,277	2.3918	-	-
Professor Tan Sri Lin See Yan	-	-	-	-	-	-	-	-
Tan Jian Hong, Aaron	-	-	-	-	-	-	-	-
Tan Sri Saw Choo Boon	-	-	-	-	-	-	-	-

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Substantial Shareholders	No. of Shares Held							
	Before Proposed Share Buy-Back <sup>(h)</sup>				After Proposed Share Buy-Back <sup>(i)</sup>			
	Direct Interest		Indirect Interest		Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Wah Seong (Malaya) Trading Co. Sdn. Bhd.	254,167,900	32.9891	2,588,705 <sup>(a)</sup>	0.3360	254,167,900	36.4451	2,588,705 <sup>(a)</sup>	0.3712
Tan Kim Yeow Sendirian Berhad	53,754,662	6.9769	256,756,605 <sup>(b)</sup>	33.3250	53,754,662	7.7079	256,756,605 <sup>(b)</sup>	36.8163
Tony Tan Choon Keat	-	-	310,511,267 <sup>(c)</sup>	40.3020	-	-	310,511,267 <sup>(c)</sup>	44.5242
Tan Chin Nam Sdn. Bhd.	600,206	0.0779	256,756,605 <sup>(b)</sup>	33.3250	600,206	0.0861	256,756,605 <sup>(b)</sup>	36.8163
Midvest Asia Sdn. Bhd.	41,438,636	5.3784	916,400 <sup>(g)</sup>	0.1189	41,438,636	5.9419	916,400 <sup>(g)</sup>	0.1314
Dato' Seri Robert Tan Chung Meng	11,761,308	1.5265	310,511,267 <sup>(c)</sup>	40.3020	11,761,308	1.6865	310,511,267 <sup>(c)</sup>	44.5242
Chan Cheu Leong	20,575,062	2.6705	42,355,036 <sup>(d)</sup>	5.4974	20,575,062	2.9503	42,355,036 <sup>(d)</sup>	6.0733
Pauline Tan Suat Ming	-	-	312,667,348 <sup>(f)</sup>	40.5818	-	-	312,667,348 <sup>(f)</sup>	44.8333

Notes :-

- (a) Deemed interest held through Wah Seong Enterprises Sdn. Bhd. ("**WSE**") pursuant to Section 8 of the Act whereby Wah Seong (Malaya) Trading Co. Sdn. Bhd. ("**WST**") is the major shareholder of WSE.
- (b) Deemed interest held through WSE and WST pursuant to Section 8 of the Act.
- (c) Deemed interest held through WSE, WST and Tan Kim Yeow Sendirian Berhad ("**TKYSB**") pursuant to Section 8 of the Act.
- (d) Deemed interest held through Midvest Asia Sdn. Bhd. ("**MASB**") and Midvest Properties Sdn. Bhd. ("**MPSB**") pursuant to Section 8 of the Act.
- (e) Deemed interest held through MASB and MPSB pursuant to Section 8 of the Act and include interests held by his spouse and children.
- (f) Deemed interest held through WSE, WST, TKYSB and PTSM Holdings Sdn. Bhd. pursuant to Section 8 of the Act.
- (g) Deemed interest held through Midvest Properties Sdn. Bhd. pursuant to Section 8 of the Act.
- (h) Net of 4,426,938 purchased shares.
- (i) Assuming the Proposed Share Buy-Back is implemented in full and Shares so purchased are fully cancelled.

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## 7. SHARE PRICES

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

<b><u>2018</u></b>	<b><u>High</u> <u>RM</u></b>	<b><u>Low</u> <u>RM</u></b>
March	1.660	1.390
April	1.500	1.240
May	1.630	1.260
June	1.400	1.260
July	1.350	1.200
August	1.400	1.210
September	1.260	0.975
October	1.150	0.885
November	0.920	0.780
December	0.790	0.595
<b><u>2019</u></b>		
January	0.800	0.600
February	0.925	0.740

(Source: <http://quotes.wsj.com/MY/XKLS/WASEONG/historical-prices>)

The last transacted price of Shares on the LPD was RM0.775.

## 8. DIRECTORS' RECOMMENDATION

The Board having considered all aspects of the Proposed Share Buy-Back is of the opinion that the Proposed Share Buy-Back is in the best interest of the Company and its shareholders. Accordingly, the Board recommends that you vote in favour of the Ordinary Resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming Nineteenth AGM.

## 9. AGM

The Nineteenth AGM, the notice of which is enclosed in the Company's 2018 Annual Report, will be held at Perdana IV, Cititel Hotel, 66 Jalan Penang, 10000 Penang, Malaysia on Wednesday, 15 May 2019 at 11.00 a.m. for the purpose of considering and if thought fit, passing the Ordinary Resolution so as to give effect to the Proposed Share Buy-Back under the Special Business at the Nineteenth AGM.

If you are unable to attend and vote in person at the Nineteenth AGM, you are requested to complete, sign and return the Proxy Form enclosed in the Company's 2018 Annual Report, in accordance with the instruction contained therein as soon as possible so as to arrive at the Registered Office of the Company not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting thereof and in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll at the Nineteenth AGM. Pursuant to Paragraph 8.29A(1), Chapter 8 of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in the notice of the Nineteenth AGM are required to be voted by poll.

The lodging of the Proxy Form will not preclude you from attending and voting in person at the forthcoming Nineteenth AGM should you subsequently wish to do so.

## **10. FURTHER INFORMATION**

Shareholders of the Company are requested to refer to Appendix I for further information.

Yours faithfully

For and on behalf of the Board of

**WAH SEONG CORPORATION BERHAD**

**Halim Bin Haji Din**  
**Independent Non-Executive Director**

**Professor Tan Sri Lin See Yan**  
**Senior Independent Non-Executive Director**

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**PART B**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE EXISTING  
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING  
NATURE AND PROVISION OF FINANCIAL ASSISTANCE**

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



## Wah Seong Corporation Berhad

(Company No. 495846-A)

(Incorporated in Malaysia)

Registered Office :  
Suite 19.01, Level 19  
The Gardens North Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Malaysia

16 April 2019

### Board of Directors:

Dato' Seri Robert Tan Chung Meng (*Non-Independent Non-Executive Chairman*)

Chan Cheu Leong (*Managing Director / Group Chief Executive Officer*)

Giancarlo Maccagno (*Deputy Managing Director*)

Professor Tan Sri Lin See Yan (*Senior Independent Non-Executive Director*)

Halim Bin Haji Din (*Independent Non-Executive Director*)

Tan Jian Hong, Aaron (*Non-Independent Non-Executive Director*)

Tan Sri Saw Choo Boon (*Independent Non-Executive Director*)

### To : The Shareholders of Wah Seong Corporation Berhad

Dear Sir/Madam,

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### **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROVISION OF FINANCIAL ASSISTANCE**

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

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#### **1. INTRODUCTION**

At the Eighteenth AGM of WSC held on 25 May 2018, the Company had obtained a mandate from its shareholders to enter into the existing Recurrent Related Party Transactions and Provision of Financial Assistance pursuant to Paragraph 10.09 of Chapter 10 of the Main Market Listing Requirements and Practice Note 12. The authority granted pursuant to the shareholders' mandate obtained at the last AGM in accordance with the Main Market Listing Requirements and Practice Note 12, will lapse at the conclusion of the forthcoming Nineteenth AGM of the Company which will be held on Wednesday, 15 May 2019 at 11.00 a.m.

On 15 March 2019, the Company made an announcement to Bursa Securities that it proposes to seek a renewal of mandate from its shareholders in respect of the Group's existing Recurrent Related Party Transactions and existing Provision of Financial Assistance and a fresh mandate from its shareholders in respect of the Group's additional Recurrent Related Party Transactions pursuant to Paragraph 10.09 of Chapter 10 of the Main Market Listing Requirements and Practice Note 12.

The purpose of this Circular is to provide you with the details of the Proposed Shareholders' Mandates and to seek your approval for the Ordinary Resolutions to be tabled at the forthcoming Nineteenth AGM of the Company.

## **2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATES**

### **2.1 Paragraph 10.09 of Chapter 10 of the Listing Requirements and Practice Note 12**

Pursuant to Paragraph 10.09 of Chapter 10 of the Main Market Listing Requirements and Practice Note 12, a listed issuer may seek a shareholders' mandate in respect of Recurrent Related Party Transactions and in respect of the pooling of funds within the Group via a centralised treasury management function or such similar arrangements which entails the provision of financial assistance by the Company and/or its subsidiaries on a short or medium term basis provided that:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public and not to the detriment of the minority shareholders;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:
  - (i) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1 million; or
  - (ii) any one of the percentage ratios of such aggregated transactions is equal to or exceeds one per centum (1%),whichever is the higher;
- (c) the contents of the circular issued by the listed issuer to its shareholders for purposes of the shareholders' mandate shall include information as set out in the Main Market Listing Requirements and Practice Note 12;
- (d) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder and 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 resolutions approving the transactions. An interested director or interested major shareholder must also ensure that persons connected with him will abstain from voting on the resolutions approving the transactions;
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the listed issuer, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular by ten per centum (10%) or more and must include the information as may be prescribed by Bursa Securities in its announcement; and
- (f) if the actual amount of financial assistance provided or rendered exceeded the estimated value of the Recurrent Related Party Transaction disclosed in the circular, the Company must make an immediate announcement. If the percentage ratio of the amount of financial assistance provided or rendered in excess of the estimated value is five per centum (5%) or more, the Company must comply with Paragraph 10.08 of the Listing Requirements.

### **2.2 Definitions**

#### **(i) Related Party Transactions**

Related Party Transaction as defined in Paragraph 10.02(k) of Chapter 10 of the Main Market Listing Requirements is a "transaction entered into by the listed issuer or its subsidiaries which involves the interest, direct or indirect, of a related party."

Transactions within the meaning of "Related Party Transactions" exclude transactions entered into between a listed issuer (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiaries.

**(ii) Recurrent Related Party Transactions of a Revenue or Trading Nature**

This is specifically spelt out in the Main Market Listing Requirements and Practice Note 12.

**“Recurrent related party transactions”**

This involves transactions that are:

- recurrent;
- of a revenue or trading nature; and
- necessary for its day-to-day operations.

It is stated in Paragraph 3.1.1 of Practice Note 12 that in this respect, the frequency or regularity of the transaction has to be considered. A transaction which has been made or will be made by the listed issuer at least once in three (3) years in the course of its business will be considered recurrent.

**“Revenue nature necessary for day-to-day operations”**

With reference to Paragraph 3.1.2 of Practice Note 12, a related party transaction of a revenue nature which is necessary for day-to-day operations must either contribute directly or indirectly to the generation of revenue for the listed issuer.

**“In the ordinary course of business”**

It is clearly stated in Paragraph 3.1.3 of Practice Note 12 that a related party transaction is in the ordinary course of business if it is a transaction which would reasonably be expected to be carried out by the listed issuer given the type of business the listed issuer is involved in.

**2.3 The principal activities of the Company and its subsidiaries**

The principal activities of the Company are investment holding and the provision of management services to its subsidiaries whilst the principal activities of its subsidiaries which are involved in the Recurrent Related Party Transactions are set out below:

<b>Company</b>	<b>Effective interest in the Company</b>	<b>Principal Activities</b>
Ashburn International Trade (Tianjin) Co. Ltd. (“A. Tianjin”)	65%	International trade, processing and assembling, storage of bonded goods and development of high technological products and consultancy services.
Ashburn Offshore Oil & Gas Equipment & Engineering (Tianjin) Co. Ltd. (“A. Offshore”)	65%	Design and manufacturing of products to the oil and gas industry.
Jutasama Sdn Bhd (“JSB”)	100%	Contracting of industrial engineering projects.
Mackenzie Industries Sdn Bhd (“MISB”)	60%	Undertaking steam boiler and energy system projects in both local and overseas market.
Maple Sunpark Sdn Bhd (“Maple”)	100%	Letting of properties.
Petro-Pipe Engineering Services Sdn Bhd (“PPES”)	100%	Trading and distribution parts and machineries and other ancillary materials and services.

<b>Company</b>	<b>Effective interest in the Company</b>	<b>Principal Activities</b>
PMT Industries Sdn Bhd (“PMTI”)	100%	Manufacturing and supplying of spare parts, equipment and provision of maintenance services for palm oil and other agricultural industries.
PPI Industries Sdn Bhd (“PPII”)	100%	Manufacture and sale of welded steel pipes and related products.
Syn Tai Hung Trading Sdn Bhd (“STHT”)	100%	Trading and distribution of building materials.
Triple Cash Sdn Bhd (“TCSB”)	79%	Investment and property holding.
Wasco Coatings Malaysia Sdn Bhd (“WCM”)	70%	Provision of coating of pipes for the oil and gas industry.
Wasco Corrosion Services Sdn Bhd (“WCS”)	63%	Supply and installation of sacrificial anodes, provision of cathodic protection services and equipment, corrosion protection services, passive fire protection services, special paint coating services and provision of technical training services.
Wasco Lindung Sdn Bhd (“WL”)	48%	Manufacture, supply and installation of sacrificial anodes, provision of cathodic protection services and equipment, corrosion protection services, passive fire protection services, special paint coating services and provision of technical training services.
Wasco Management Services Sdn Bhd (“Wasco MS”)	100%	Provision of management support services to the subsidiaries of its immediate holding company and ultimate holding company.
Wasco Oilfield Services Sdn Bhd (“WOS”)	49%	Investment holding.
Wasco Oil Technologies Sdn Bhd (“WOT”)	100%	Investment holding and provision of management services.
WDG Resources Sdn Bhd (“WDG”)	60%	Manufacturing, fabrication, trading, distribution and service of industrial machinery, equipment and parts.
WSC Capital Sdn Bhd (“WSC Capital”)	100%	Treasury management centre providing services to its related companies within Malaysia and overseas which includes cash financing, debt management, investment services and financial risk management.

## 2.4 The principal activities of the other related transacting parties

The principal activities of the other related transacting parties which are not part of the Group that are involved in the Recurrent Related Party Transactions with the Group are set out below:

Other Transacting Parties	Principal Activities
IGB Berhad (“IGB”) (formerly known as Goldis Berhad) and its subsidiaries (“IGB Group of companies”)	IGB Berhad is an investment holding company and the provision of management services whilst the principal activities of its subsidiary companies are property investment and management, owner and operator of malls, hotel operations, property development, construction, information and communication technology services, provision of engineering services for water treatment plants and related services, education, investment holding and management of real estate investment trust.

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## 2.5 Nature of Recurrent Related Party Transactions and Class of Related Parties

2.5.1 The details of the nature, estimated annual value of the Recurrent Related Party Transactions in respect of which the Company is seeking **renewal of mandate** from its shareholders as contemplated under the Proposed Shareholders' Mandates are as follows:

### (a) Group Financial and/or Treasury Management<sup>1</sup>

Interested Related Party <sup>2</sup>	Lender	Borrower	Estimated Annual Value <sup>3</sup> (RM)	Estimated Value as Disclosed in the Circular to Shareholders dated 25 April 2018 (RM)	Actual Value Transacted from 25 May 2018 to LPD <sup>4</sup> (RM)	Nature of Transaction
Dato' Mohamed Nizam Bin Abdul Razak ("Dato' Nizam")	WOS	WCS & Subsidiaries	15,000,000	15,000,000	NIL	Interest bearing advances for purpose of working capital requirement <i>Basis of interest rate charged</i> <sup>5</sup>
	WCS	WOS	15,000,000	15,000,000	143,927.68	
		WL	15,000,000	15,000,000	2,968,531.67	
	WL	WOS	15,000,000	15,000,000	143,927.68	
Mohd Azlan Bin Mohammed ("Azlan")	WCM	WCS	15,000,000	15,000,000	NIL	
		WOS & Subsidiaries	15,000,000	15,000,000	3,870,235.72	
	WOT	WOS & Subsidiaries	15,000,000	15,000,000	NIL	
Azlan						
<p><i>Dato' Nizam is a common Director of WCM, WOS, WCS and WL and a Major Shareholder by virtue of him holding 19.81% shares in WOS, the immediate holding company of WCS.</i></p> <p><i>Azlan is a common Director of WOT, WCM, WOS, WCS and WL and a Major Shareholder by virtue of him holding 31.67% shares in WOS (the immediate holding company of WCS) and 22.61% shares in WL (the indirect subsidiary of WOS), respectively.</i></p>						

## 2.5 Nature of Recurrent Related Party Transactions and Class of Related Parties (cont'd)

### (a) Group Financial and/or Treasury Management<sup>1</sup> (cont'd)

Interested Related Party <sup>2</sup>	Lender	Borrower	Estimated Annual Value <sup>3</sup> (RM)	Estimated Value as Disclosed in the Circular to Shareholders dated 25 April 2018 (RM)	Actual Value Transacted from 25 May 2018 to LPD <sup>4</sup> (RM)	Nature of Transaction
Li Bao Guo ("Li") Guo Jun	A. Tianjin	A. Offshore	5,000,000	5,000,000	NIL	Interest bearing advances for purpose of working capital requirement <i>Basis of interest rate charged</i> <sup>5</sup>
<p><i>Li is a common Director of A. Tianjin and A. Offshore. He is also a Major Shareholder of A. Tianjin and A. Offshore by virtue of his direct 21% shareholding and indirect 35% shareholding in A. Tianjin and A. Offshore respectively.</i></p> <p><i>Guo Jun is a common Director of A. Tianjin and A. Offshore. He is also a Major Shareholder of A. Tianjin and A. Offshore by virtue of his direct 14% shareholding and indirect 35% shareholding in A. Tianjin and A. Offshore respectively.</i></p>						

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## 2.5 Nature of Recurrent Related Party Transactions and Class of Related Parties (cont'd)

### (a) Group Financial and/or Treasury Management<sup>1</sup> (cont'd)

Interested Related Party <sup>2</sup>	Lender	Borrower	Estimated Annual Value <sup>3</sup> (RM)	Estimated Value as Disclosed in the Circular to Shareholders dated 25 April 2018 (RM)	Actual Value Transacted from 25 May 2018 to LPD <sup>4</sup> (RM)	Nature of Transaction
Dato' Seri Robert Tan Chung Meng ("DSRT")  Pauline Tan Suat Ming ("PT")  Tony Tan Choon Keat ("TTCK")  Tan Kim Yeow Sendirian Berhad ("TKYSB")	WSC	TCSB	20,000,000	20,000,000	4,860,867	Interest bearing advances for purpose of working capital requirement  <i>Basis of interest rate charged<sup>5</sup></i>
<p><i>DSRT is a Director of WSC Group and also an indirect Major Shareholder of WSC by virtue of his total direct and indirect shareholdings in WSC of 1.53% and 40.30% respectively. DSRT is a Major Shareholder of TCSB by virtue of his indirect shareholding through TKYSB.</i></p> <p><i>PT is an indirect Major Shareholder of WSC by virtue of her indirect shareholding in WSC of 40.58%. PT is also a Director of TCSB and a Major Shareholder of TCSB by virtue of her indirect shareholding through TKYSB.</i></p> <p><i>TTCK is an indirect Major Shareholder of WSC by virtue of his indirect shareholding in WSC of 40.30%. TTCK is also a Major Shareholder of TCSB by virtue of his indirect shareholding through TKYSB.</i></p> <p><i>TKYSB is a Major Shareholder of WSC by virtue of its total direct and indirect shareholdings in WSC of 6.98% and 33.33% respectively and a Major Shareholder of TCSB by virtue of its 21% shareholding in TCSB.</i></p>						

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2.5 Nature of Recurrent Related Party Transactions and Class of Related Parties (cont'd)

(a) Group Financial and/or Treasury Management<sup>1</sup> (cont'd)

Interested Related Party <sup>2</sup>	Lender	Borrower	Estimated Annual Value <sup>3</sup> (RM)	Estimated Value as Disclosed in the Circular to Shareholders dated 25 April 2018 (RM)	Actual Value Transacted from 25 May 2018 to LPD <sup>4</sup> (RM)	Nature of Transaction
Chan Cheu Leong ("CCL")  Chan Wei Keat ("CWK")	STHT	WDG	10,000,000	30,000,000	3,954,568	Utilisation of STHT's banking facilities obtained from the bank(s) by WDG  <i>Basis of interest rate or facility fee charged<sup>6</sup></i>
	STHT	WDG	100,000,000	65,000,000	30,000,000	Guarantee granted to undertake outstanding amount owing by WDG in the event that WDG failed to settle any debts owing to the suppliers and/or banks
	<p><i>CWK is a Director of WDG and holds 51,497 shares in WSC. CWK is the son of CCL.</i></p> <p><i>STHT is the immediate holding company of WDG.</i></p> <p><i>CCL is a Substantial Shareholder of 33.33% shareholding in Epilog Tegap Sdn Bhd ("ETSB") via Midvest Asia Sdn Bhd ("MASB") and in turn ETSB holds 40% shareholding in WDG.</i></p> <p><i>CCL is the Managing Director / Group Chief Executive Officer and a Substantial Shareholder of 5.49% shareholding in WSC via MASB and Midvest Properties Sdn Bhd ("MPSB"). His direct shareholding in WSC is 2.67%. CCL is the father of CWK.</i></p>					

2.5 Nature of Recurrent Related Party Transactions and Class of Related Parties (cont'd)

(a) Group Financial and/or Treasury Management<sup>1</sup> (cont'd)

Interested Related Party <sup>2</sup>	Lender	Borrower	Estimated Annual Value <sup>3</sup> (RM)	Estimated Value as Disclosed in the Circular to Shareholders dated 25 April 2018 (RM)	Actual Value Transacted from 25 May 2018 to LPD <sup>4</sup> (RM)	Nature of Transaction
CCL CWK	WSC Capital	WDG	10,000,000	10,000,000	7,782,092	Interest bearing advances for purpose of working capital requirement  Basis of interest rate or facility fee charged <sup>5</sup>
	STHT	WDG	10,000,000	10,000,000	3,500,000	
	PPES	WDG	2,000,000	2,000,000	2,000,000	
	PPII	WDG	2,000,000	2,000,000	1,062,721	
	WSC	WDG	22,000,000	10,000,000	6,226,038	
	CWL is a Director of WDL and holds 51,497 shares in WSC. CWK is the son of CCL. WSC Capital is a wholly-owned subsidiary of WSC. STHT is the immediate holding company of WDL and PPES. STHT and PPII are indirect wholly-owned subsidiaries of WSC. CCL is a Substantial Shareholder of 33.33% shareholding in ETSB via MASB and in turn ETSB holds 40% shareholding in WDL. CCL is the Managing Director / Group Chief Executive Officer and a Substantial Shareholder of 5.49% shareholding in WSC via MASB and MPSB. His direct shareholding in WSC is 2.67%. CCL is the father of CWK.					

2.5 Nature of Recurrent Related Party Transactions and Class of Related Parties (cont'd)

(b) Transactions of A Revenue or Trading in Nature<sup>1a</sup>

Interested Related Party <sup>2</sup>	Provider of Products/ Services	Recipient of Products/ Services	Estimated Annual Value <sup>3</sup> (RM)	Estimated Value as Disclosed in the Circular to Shareholders dated 25 April 2018 (RM)	Actual Value Transacted from 25 May 2018 to LPD <sup>4</sup> (RM)	Nature of Transaction
Dato' Nizam Azlan	WCS and its subsidiaries	WCM & Subsidiaries	30,000,000	30,000,000	291,486	Sale/Purchase of sacrificial anodes and sub-contracting of anodes installation works and other related works
	WL	WCS	15,000,000	15,000,000	NIL	
	Dato ' Nizam is a common Director of WCS, WCM and WL and a Major Shareholder by virtue of him holding 19.81% shares in WOS, the immediate holding company of WCS.					
Azlan is a common Director of WCS, WCM and WL and a Major Shareholder by virtue of him holding 31.67% shares in WOS (the immediate holding company of WCS) and 22.61% shares in WL (the indirect subsidiary of WOS), respectively.						

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## 2.5 Nature of Recurrent Related Party Transactions and Class of Related Parties (cont'd)

### (b) Transactions of A Revenue or Trading in Nature <sup>1a</sup> (cont'd)

Interested Related Party <sup>2</sup>	Provider of Products/ Services	Recipient of Products/ Services	Estimated Annual Value <sup>3</sup> (RM)	Estimated Value as Disclosed in the Circular to Shareholders dated 25 April 2018 (RM)	Actual Value Transacted from 25 May 2018 to LPD <sup>4</sup> (RM)	Nature of Transaction
DSRT  PT  TTCK  Tan Chin Nam Sdn Bhd ("TCNSB")  TKYSB  Wah Seong (Malaya) Trading Co. Sdn Bhd ("WST")	STHT and its subsidiaries	IGB Group of companies	15,000,000	15,000,000	160,058	Sale/Purchase of building materials, trading in generator sets, construction machineries and equipment and component parts and related products and services
<p>DSRT is the Group Chief Executive Officer and Director of IGB Group. He is also a Director of WSC Group. He is a common indirect Major Shareholder of WSC and IGB. His total direct and indirect shareholdings in WSC are 1.53% and 40.30% respectively. His total direct and indirect shareholdings in IGB are 0.23% and 28.41% respectively.</p> <p>PT is a common indirect Major Shareholder of WSC and IGB. Her indirect shareholding in WSC is 40.58%. Her total direct and indirect shareholdings in IGB are 0.05% and 28.41% respectively.</p> <p>TTCK is a common indirect Major Shareholder of WSC and IGB. His indirect shareholding in WSC is 40.30%. His indirect shareholding in IGB is 28.41%. TTCK is the father of Tan Jian Hong, Aaron ("TJH").</p> <p>TJH is a Director of WSC and he is the son of TTCK.</p> <p>TCNSB, TKYSB and WST are common Major Shareholders of WSC and IGB.</p> <p>TCNSB's total direct and indirect shareholdings in WSC are 0.08% and 33.33% respectively. TKYSB's total direct and indirect shareholdings in WSC are 6.98% and 33.33% respectively. WST's total direct and indirect shareholdings in WSC are 32.98% and 0.34% respectively.</p> <p>TCNSB's total direct and indirect shareholdings in IGB are 23.68% and 20.08% respectively. TKYSB's total direct and indirect shareholdings in IGB are 9.69% and 18.72% respectively. WST's total direct and indirect shareholdings in IGB are 15.09% and 3.63% respectively.</p>						

## 2.5 Nature of Recurrent Related Party Transactions and Class of Related Parties (cont'd)

### (b) Transactions of A Revenue or Trading in Nature<sup>1a</sup> (cont'd)

Interested Related Party <sup>2</sup>	Provider of Products/ Services	Recipient of Products/ Services	Estimated Annual Value <sup>3</sup> (RM)	Estimated Value as Disclosed in the Circular to Shareholders dated 25 April 2018 (RM)	Actual Value Transacted from 25 May 2018 to LPD <sup>4</sup> (RM)	Nature of Transaction
DSRT	IGB Group of companies	Wasco MS	2,000,000 <sup>8</sup>	2,000,000	1,019,027	Rental of premise <sup>7</sup> and related facilities
PT	<i>DSRT is the Group Chief Executive Officer and Director of IGB Group. He is also a Director of WSC Group. He is a common indirect Major Shareholder of WSC and IGB. His total direct and indirect shareholdings in WSC are 1.53% and 40.30% respectively. His total direct and indirect shareholdings in IGB are 0.23% and 28.41% respectively.</i>					
TTCK	<i>PT is a common indirect Major Shareholder of WSC and IGB. Her indirect shareholding in WSC is 40.58%. Her total direct and indirect shareholdings in IGB are 0.05% and 28.41% respectively.</i>					
TCNSB	<i>TTCK is a common indirect Major Shareholder of WSC and IGB. His indirect shareholding in WSC is 40.30%. His indirect shareholding in IGB is 28.41%. TTCK is the father of Tan Jian Hong, Aaron ("TJH").</i>					
TKYSB	<i>TJH is a Director of WSC and he is the son of TTCK.</i>					
WST	<i>TCNSB, TKYSB and WST are common Major Shareholders of WSC and IGB.</i>					
	<i>TCNSB's total direct and indirect shareholdings in WSC are 0.08% and 33.33% respectively. TKYSB's total direct and indirect shareholdings in WSC are 6.98% and 33.33% respectively. WST's total direct and indirect shareholdings in WSC are 32.98% and 0.34% respectively.</i>					
	<i>TCNSB's total direct and indirect shareholdings in IGB are 23.68% and 20.08% respectively. TKYSB's total direct and indirect shareholdings in IGB are 9.69% and 18.72% respectively. WST's total direct and indirect shareholdings in IGB are 15.09% and 3.63% respectively.</i>					

2.5 Nature of Recurrent Related Party Transactions and Class of Related Parties (cont'd)

(b) Transactions of A Revenue or Trading in Nature<sup>1a</sup> (cont'd)

Interested Related Party <sup>2</sup>	Provider of Products/ Services	Recipient of Products/ Services	Estimated Annual Value <sup>3</sup> (RM)	Estimated Value as Disclosed in the Circular to Shareholders dated 25 April 2018 (RM)	Actual Value Transacted from 25 May 2018 to LPD <sup>4</sup> (RM)	Nature of Transaction
CCL CWK	WDG	PMTI	500,000	500,000	NIL	Trading in generator sets, construction equipment and machineries, related equipment and component parts and provision of support services
	PMTI	WDG	100,000 <sup>10</sup>	300,000	102,500	Rental of premise <sup>9</sup> and related facilities.
	<p><i>CWK is a Director of WDG and holds 51,497 shares in WSC. CWK is the son of CCL.</i></p> <p><i>PMTI is an indirect wholly-owned subsidiary of WSC. WDG is an indirect subsidiary of WSC.</i></p> <p><i>CCL is a Substantial Shareholder of 33.33% shareholding in ETSB via MASB and in turn ETSB holds 40% shareholding in WDG.</i></p> <p><i>CCL is the Managing Director / Group Chief Executive Officer and a Substantial Shareholder of 5.49% shareholding in WSC via MASB and MPSB. His direct shareholding in WSC is 2.67%. CCL is the father of CWK.</i></p>					

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## 2.5 Nature of Recurrent Related Party Transactions and Class of Related Parties (cont'd)

### (b) Transactions of A Revenue or Trading in Nature<sup>1a</sup> (cont'd)

Interested Related Party <sup>2</sup>	Provider of Products/ Services	Recipient of Products/ Services	Estimated Annual Value <sup>3</sup> (RM)	Estimated Value as Disclosed in the Circular to Shareholders dated 25 April 2018 (RM)	Actual Value Transacted from 25 May 2018 to LPD <sup>4</sup> (RM)	Nature of Transaction
CCL CWK	WDG	JSB	200,000	200,000	6,000	Rental of forklift <sup>11</sup> and related equipment
	WDG	MISB	500,000	500,000	131,200	Rental of forklift <sup>12</sup> and related equipment
<p><i>CWK is a Director of WDG and holds 51,497 shares in WSC. CWK is the son of CCL.</i></p> <p><i>MISB is a 60%-owned by JSB and JSB is a wholly-owned subsidiary of WSC.</i></p> <p><i>WDG is an indirect subsidiary of WSC.</i></p> <p><i>CCL is a Substantial Shareholder of 33.33% shareholding in ETSB via MASB and in turn ETSB holds 40% shareholding in WDG.</i></p> <p><i>CCL is the Managing Director / Group Chief Executive Officer and a Substantial Shareholder of 5.49% shareholding in WSC via MASB and MPSB. His direct shareholding in WSC is 2.67%. CCL is the father of CWK.</i></p>						

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## 2.5 Nature of Recurrent Related Party Transactions and Class of Related Parties (cont'd)

### Notes:

The Recurrent Related Party Transactions covered by these Proposed Shareholders' Mandates are in compliance with the Main Market Listing Requirements and Practice Note 12.

1. Financial and/or Treasury Management provided to/by subsidiary companies as and when there are surplus funds, as the Group practises efficient fund management by reducing the bank borrowings thereby enhancing shareholders' value. Any subsidiary which has surplus funds for the specific period will notify the Head Office and Head Office will channel the funds to the subsidiary that needs the funds and hence reduce overall gearing level of the Group.
- 1a. The transactions of a revenue or trading in nature include the rental of premise and related facilities, trading in sacrificial anodes and sub-contracting of anodes installation works and other related works, trading of building materials and trading in generator sets, construction equipment and machineries, related equipment and component parts and provision of support services.
2. The direct and indirect shareholdings of these interested related parties (if any) are set out in Section 7 below. Accordingly, these interested related parties will abstain from voting in respect of their direct and/or indirect shareholdings in the Company at the forthcoming Nineteenth AGM on the Proposed Shareholders' Mandates.
3. From the date of forthcoming Nineteenth AGM up to the date of next AGM.
  - The estimated value for the renewal mandate is based on past actual value transacted and estimated value to be transacted until the next AGM which may be subject to change.
4. Actual Value Transacted from 25 May 2018 to LPD (i.e. 29 March 2019) does not exceed 10% or more of the Estimated Value as disclosed in the Circular to Shareholders dated 25 April 2018.
5. The method on which the basis of interest rate to be charged on the advances granted or to be granted will be at market rate but not lower than WSC/WSC subsidiaries' cost of funds.
6. The basis of interest rate or facility fee chargeable to the related party by WSC and/or its subsidiaries for utilisation of banking facilities secured by WSC Group will be at market rate but not lower than WSC/WSC subsidiaries' cost of funds.
7. The rental of the corporate office of RM95,358 payable on a monthly basis is located at Suite 19.01, Level 19, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.
8. The Estimated Annual Value has provided for additional rental value in the event further requirement of office space for the corporate office and/or its WSC' subsidiaries arise.
9. The rental of the premise between PMTI and WDG of RM4,500.00 payable on a monthly basis is located at Lot 1929, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan.
10. The Estimated Annual Value has provided for additional rental value in the event further requirement of office and factory space arise.

## 2.5 Nature of Recurrent Related Party Transactions and Class of Related Parties (cont'd)

### Notes:

11. The rental of the forklift and related equipment between WDG and JSB of RM15,000.00 payable on a monthly basis is located at Lot 515, Jalan Bandar Lama, 42500 Telok Panglima Garang, Selangor Darul Ehsan.
12. The rental of the forklift and related equipment between WDG and MISB of RM13,300.00 payable on a monthly basis is located at Lot 1930, Batu 7, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan and PT 15926 (Lot 2347 & 1284, 512-515), Jalan Bandar Lama, Kawasan Perusahaan Segenting, Telok Panglima Garang, 42500 Telok Panglima Garang, Selangor.

## 2.5 Nature of Recurrent Related Party Transactions and Class of Related Parties (cont'd)

2.5.2 The details of the nature and estimated annual value of the additional Recurrent Related Party Transactions in respect of which the Company is seeking a **fresh mandate** from its shareholders as contemplated under the Proposed Shareholders' Mandates are as follows:

### (a) Transactions of A Revenue or Trading in Nature<sup>1</sup>

Interested Related Party <sup>2</sup>	Provider of Products/ Services	Recipient of Products/ Services	Estimated Annual Value <sup>3</sup> (RM)	Nature of Transaction
CCL CWK	Maple	WDG	600,000 <sup>5</sup>	Rental of premise <sup>4</sup> and related facilities such as security guards services and all other ancillary facilities existingly available at the premise.
<p><i>CWK is a Director of WDG and holds 51,497 shares in WSC. CWK is the son of CCL.</i></p> <p><i>Maple is a direct wholly-owned subsidiary of WSC.</i></p> <p><i>CCL is a Substantial Shareholder of 33.33% shareholding in ETSB via MASB and in turn ETSB holds 40% shareholding in WDG.</i></p> <p><i>CCL is the Managing Director / Group Chief Executive Officer and a Substantial Shareholder of 5.49% shareholding in WSC via MASB and MPSB. His direct shareholding in WSC is 2.67%. CCL is the father of CWK.</i></p>				

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## 2.5 Nature of Recurrent Related Party Transactions and Class of Related Parties (cont'd)

### Notes:

The Recurrent Related Party Transactions covered by this Proposed Shareholders' Mandates are in compliance with the Main Market Listing Requirements and Practice Note 12.

1. The transactions of a revenue or trading in nature include the rental of premise and related facilities.
2. The direct and indirect shareholdings of these interested related parties (if any) are set out in Section 7 below. Accordingly, these interested related parties will abstain from voting in respect of their direct and/or indirect shareholdings in the Company at the forthcoming Nineteenth AGM on the Proposed Shareholders' Mandates.
3. From the date of forthcoming Nineteenth AGM up to the date of next AGM, the Estimated Annual Values for fresh mandate is based on management forecast of projects or purchase and/or sale orders and anticipated projects, contracts or purchase/sales orders expected to be secured.
4. The rental of the premise and related facilities measuring approximately 53,406 square feet between Maple and WDG of RM42,700.00 payable on a monthly basis is located at Lot 1944, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan.
5. The Estimated Annual Value has provided for additional rental value in the event further requirement of office and factory space arise.

## **2.6 Amount Due and Owing Under Recurrent Related Party Transactions**

For the financial year ended 31 December 2018, there were no amounts due and owing by the Related Parties pursuant to the Recurrent Related Party Transactions that exceeded the credit terms. Hence, there was no late payment charges imposed on the Related Parties.

## **2.7 The methods and procedures on which transaction prices will be determined and other review procedures**

### Group Financial and/or Treasury Management

The method on which the basis of interest rate to be charged on the advances granted or to be granted will be at market rate but not lower than WSC/WSC subsidiaries' cost of funds.

The basis of interest rate or facility fee chargeable to the related party by WSC and/or its subsidiaries for utilisation of banking facilities secured by WSC Group will be at market rate but not lower than WSC/WSC subsidiaries' cost of funds.

### Transactions of a Revenue or Trading in Nature

There are procedures established by the Group to ensure that Recurrent Related Party Transactions are undertaken on an arm's length basis and on the Group's normal commercial terms, consistent with the Group's usual business practices and policies, which are generally not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders. The procedures are as follows:

- (a) The guidelines and procedures on the disclosure of Recurrent Related Party Transactions and the list of Related Parties will be circulated to the Directors and Management of the Company and its subsidiaries to notify that all Recurrent Related Party Transactions are required to be undertaken on an arm's length basis and on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company;
- (b) All Recurrent Related Party Transactions will be reviewed by the Audit Committee. Any member of the Audit Committee may as he deems fit, requests for additional information pertaining to the transaction, including from independent sources or advisers;
- (c) A register will be maintained by the Company to record all Recurrent Related Party Transactions which are entered into pursuant to the Proposed Shareholders' Mandates;
- (d) The Internal Audit Department shall periodically review the Recurrent Related Party Transactions entered into pursuant to the Proposed Shareholders' Mandates to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to;
- (e) The Board and the Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor Recurrent Related Party Transactions have been complied with;
- (f) There are no specific thresholds for approval of Recurrent Related Party Transactions within the Group. However, the affected subsidiaries will inform the Group Company Secretary by completing the Related Party Transaction Disclosure Form as and when Recurrent Related Party Transactions that exceed the WSC Group's threshold as follows:-
  - i. where any one of the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is RM1 million or more; or
  - ii. the percentage ratio of such Recurrent Related Party Transaction is 1% or more,

whichever is the higher and which has not obtained the shareholders mandate or has exceeded the shareholders' mandate whereby, an announcement shall be made to Bursa Securities.

- (g) The transaction price, terms and conditions are determined by market forces, under similar commercial terms for transactions with unrelated third parties, which are dependent on the demand and supply of the products and services. In addition, at least 2 other contemporaneous unrelated third parties' quotations will be obtained and compared to arrive at true and fair suppliers' evaluation and ranking on the price, delivery, services and other terms and conditions, before entering into such transactions;

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, for transactions where it is vital that confidentiality is maintained or the nature of the scope of work involve multiple service providers) then the transaction price will be reviewed and determined by the Senior Management of the affected subsidiaries who has no interest in the transaction to ensure that the Recurrent Related Party Transactions are not detrimental to the Group;

- (h) A declaration/confirmation on the disclosure requirements and obligations as set out in the Main Market Listing Requirements and relevant Practice Notes is obtained from the affected subsidiary together with the summary of the Recurrent Related Party Transactions mandate; and
- (i) A declaration is obtained from the affected Directors who are substantial shareholders in the affected subsidiary to confirm the extent of any related party transactions (if any) between themselves or companies controlled by them with the affected subsidiary.

The Board and the Audit Committee have reviewed the above procedures and shall continue to review the procedures as and when required, with the authority to delegate such function to individuals or committees within the Company as they deem appropriate. If a member of the Board or the Audit Committee has an interest in the transaction to be reviewed by the Board or the Audit Committee as the case may be, he will not participate in the deliberation of such transaction and will abstain from any decision making by the Board or the Audit Committee in respect of that transaction.

## **2.8 Validity period of the Proposed Shareholders' Mandates**

If approved at the forthcoming Nineteenth AGM, the Proposed Shareholders' Mandates will take effect from the passing of the resolutions relating thereto at the Nineteenth AGM and will continue to be in force until:

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

whichever is earlier.

In view of the foregoing, the Board will seek your approval for the Proposed Shareholders' Mandates at the forthcoming Nineteenth AGM, and at each subsequent AGM subject to satisfactory review by the Audit Committee of its continued application to the Recurrent Related Party Transactions.

Transactions with any related parties which do not fall within the ambit of the Proposed Shareholders' Mandates, will be subject to other applicable provisions of the Main Market Listing Requirements, the Act and/or any applicable law.

## **2.9 Disclosure**

Disclosure will be made of the breakdown of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandates during the financial year based on the following information in the Company's 2018 Annual Report and in the Annual Reports for subsequent financial years that the Proposed Shareholders' Mandates continues to be in force:

- (i) the type of Recurrent Related Party Transactions made; and
- (ii) the names of the related parties involved in each type of the Recurrent Related Party Transactions made and their relationships with the Company.

The threshold for the disclosure is where:

- (i) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1 million; or
- (ii) any one of the percentage ratios of such aggregated transactions is equal to or exceeds one per centum (1%),

whichever is the higher.

### **3. STATEMENT BY THE AUDIT COMMITTEE**

The Audit Committee of the Company has seen and reviewed the procedures set forth in Section 2.7 above and is of the view that the said procedures are sufficient to ensure that the Recurrent Related Party Transactions are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The Company has put in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner. The Audit Committee conducts the review of these procedures and processes on a quarterly basis.

### **4. RATIONALE FOR AND BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATES**

#### **4.1 Rationale for the Proposed Shareholders' Mandates**

As disclosed in Section 2.5 above are the companies within the Group which will continue and/or are expected to enter into such Recurrent Related Party Transactions in the ordinary course of business for the Group's day-to-day operations.

The Recurrent Related Party Transactions related to transactions of a revenue or trading in nature include the rental of premises and related facilities, trading in sacrificial anodes and sub-contracting of anodes installation works and other related works, trading of building materials, trading in generator sets, construction equipment and machineries and component parts and provision of support services.

It is envisaged that in the normal course of business of the Group, transactions in respect of goods or services with the Related Parties will occur with some degree of frequency from time to time and that may arise at any time.

The Recurrent Related Party Transactions pertaining to Financial and/or Treasury Management or such similar arrangements which entails the provision of financial assistance are provided to/by subsidiary companies on a short or medium term basis as and when there are surplus funds, as the Group practises efficient fund management by reducing the bank borrowings, optimizing the use of banking facilities thereby enhancing shareholders' value and reduce overall gearing level of the Group.

Some of these Recurrent Related Party Transactions may be constrained by the time-sensitive and frequent nature of transactions and it may be impractical to seek shareholders' approval on a case to case basis before entering into such Recurrent Related Party Transactions.

The obtaining of the shareholders' mandate and the renewal thereof on an annual basis would eliminate the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such Recurrent Related Party Transactions occur, thereby reducing administrative time and cost associated therewith, hence allowing resources to be channelled towards meeting its other corporate objectives and pursuing more productive business opportunities.

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## 4.2 Benefits of the Proposed Shareholders' Mandates

Some of the benefits to be derived from the Recurrent Related Party Transactions are:

- (a) flexibility and choice of parties to enter into such transactions, whether with Related Parties or non-Related Parties;
- (b) to facilitate transactions with Related Parties which are in the ordinary course of business of the Group undertaken at arm's length basis, normal commercial terms and on terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Group;
- (c) to facilitate transactions with Related Parties in an expeditious manner to meet business needs for the supply and/or provision of goods and services which are necessary for its day-to-day operations, particularly business needs which are time sensitive in nature;
- (d) to facilitate transactions with Related Parties where it is vital that confidentiality be maintained, where it will not be viable for prior shareholders' mandate to be obtained as this will entail the release of details of the transactions which may adversely affect the interests of the Group and place the Group at a disadvantage position to its competitors who may not require shareholders' mandate to be obtained; and
- (e) to eliminate the need to announce and convene separate general meetings to seek shareholders' mandate for each transaction and as such, substantially reduce expenses, time and other resources associated with the making of announcements and convening of general meetings on an ad-hoc basis, and hence improve administrative efficiency considerably and allow financial and manpower resources to be channelled to pursue more productive business objectives.

In addition to the above benefits, the Related Parties have also proven to be reliable in its delivery of products and services as well as fulfilling the quality expectations of the Group. Due to previous business dealings with the Related Parties, the Related Parties are familiar with the Group's operations and are able to meet the Group's business requirements even at short notice. This has allowed the Group to benefit from *ad hoc* and immediate business opportunities arising thereon.

## 5. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATES

The Proposed Shareholders' Mandates are not expected to have any effect on the issued shares and substantial shareholders' shareholdings of the Company, the consolidated NA per share and the consolidated earnings of the Group for the financial year ending 31 December 2019.

## 6. APPROVAL REQUIRED

The Proposed Shareholders' Mandates are subject to approval being obtained from the shareholders of the Company at the forthcoming Nineteenth AGM.

## 7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The following table illustrates the direct and indirect shareholdings of the Directors of the Company who have interest, direct or indirect, in the Proposed Shareholders' Mandates on 29 March 2019, being the LPD prior to the printing of this Circular:

Directors	Direct Interest		Indirect Interest	
	No. of Shares	% §	No. of Shares	% §
DSRT	11,761,308	1.53	310,511,267 <sup>^</sup>	40.30
CCL	20,575,062	2.67	42,509,527*	5.52

§ Net of 4,426,938 purchased shares.

<sup>^</sup> Deemed interest held through Wah Seong Enterprises Sdn Bhd ("WSE"), WST and TKYSB pursuant to Section 8 of the Act.

\* Deemed interest held through Midvest Asia Sdn Bhd and Midvest Properties Sdn Bhd pursuant to Section 8 of the Act and include interests of his spouse and children.



The following table illustrates the direct and indirect shareholdings of the Directors of the subsidiaries of the Company, who have interest, direct or indirect, in the Proposed Shareholders' Mandates on 29 March 2019, being the LPD prior to the printing of this Circular:

Directors of Subsidiaries	Direct Interest		Indirect Interest	
	No. of Shares	% §	No. of Shares	% §
Dato' Nizam	1,761,882	0.23	16,050,423 <sup>€</sup>	2.08
Azlan	1,860,586	0.24	16,050,423 <sup>€</sup>	2.08
Li	-	-	-	-
Guo Jun	-	-	-	-
CWK	51,497	0.01	63,033,092 <sup>±</sup>	8.18

§ Net of 4,426,938 purchased shares.

€ Deemed interest held through Karya Insaf (M) Sdn Bhd pursuant to Section 8 of the Act.

± Deemed interest held through CCL, his father, Midvest Asia Sdn Bhd, Midvest Properties Sdn Bhd and include interests of his mother and sibling pursuant to Section 8 of the Act.

Accordingly, the above-named Directors, being Directors who are interested in the Proposed Shareholders' Mandates have abstained and will continue to abstain from all deliberations and voting on the Recurrent Related Party Transactions involving them as stated in the Proposed Shareholders' Mandates at the relevant Board Meetings and shall also abstain from voting in respect of their direct and indirect shareholdings in the Company, if any, at the forthcoming Nineteenth AGM on the resolution to approve the Proposed Shareholders' Mandates involving their interests, as stated in the Proposed Shareholders' Mandates.

The direct and indirect shareholdings of the Major Shareholders of the Company who have interest, direct or indirect, in the Proposed Shareholders' Mandates as at 29 March 2019, being the LPD prior to the printing of this Circular are as follows:

Major Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	% §	No. of Shares	% §
DSRT	11,761,308	1.53	310,511,267 <sup>#</sup>	40.30
PT	-	-	312,667,348 <sup>∞</sup>	40.58
TTCK	-	-	310,511,267 <sup>#</sup>	40.30
TCNSB	600,206	0.08	256,756,605 <sup>@</sup>	33.33
TKYSB	53,754,662	6.98	256,756,605 <sup>@</sup>	33.33
WST	254,167,900	32.99	2,588,705 <sup>π</sup>	0.34

§ Net of 4,426,938 purchased shares.

# Deemed interest held through WSE, WST and TKYSB pursuant to Section 8 of the Act.

∞ Deemed interest held through WSE, WST, TKYSB and PTSM Holdings Sdn Bhd pursuant to Section 8 of the Act.

@ Deemed interest held through WSE and WST pursuant to Section 8 of the Act.

π Deemed interest held through WSE pursuant to Section 8 of the Act whereby WST is the major shareholder of WSE.

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As at 29 March 2019, being the LPD prior to the printing of this Circular, the direct and indirect shareholdings in the Company of the Major Shareholders of the subsidiaries of the Company, who have interest, direct or indirect, in the Proposed Shareholders' Mandates are set out below:

Major Shareholders of Subsidiaries	Relationship	Direct Interest		Indirect Interest	
		No. of Shares	% §	No. of Shares	% §
Dato' Nizam	Major Shareholder of WOS	1,761,882	0.23	16,050,423 <sup>€</sup>	2.08
Azlan	Major Shareholder of WOS and WL	1,860,586	0.24	16,050,423 <sup>€</sup>	2.08
Li	Major Shareholder of A. Tianjin	-	-	-	-
Guo Jun	Major Shareholder of A. Tianjin	-	-	-	-

§ Net of 4,426,938 purchased shares.

€ Deemed interest held through Karya Insaf (M) Sdn Bhd pursuant to Section 8 of the Act.

Accordingly, the above said Major Shareholders of the Group who are interested (directly or indirectly) in the Proposed Shareholders' Mandates shall abstain from voting in respect of their direct and indirect shareholdings in the Company, if any, at the forthcoming Nineteenth AGM on the resolution to approve the Proposed Shareholders' Mandates involving their interests, as stated in the Proposed Shareholders' Mandates.

As at 29 March 2019, being the LPD prior to the printing of this Circular, the direct and indirect shareholdings in IGB of persons who are connected with a Director and/or Major Shareholder of the Group who are interested in the Proposed Shareholders' Mandates are set out below:

Person Connected to Directors and/or Major Shareholders	Relationship	Direct Interest		Indirect Interest	
		No. of Shares	%	No. of Shares	%
IGB	WST is a Major Shareholder of IGB Berhad	102,632,471	15.09	24,700,075	3.63

In addition, the persons connected to Directors and/or Major Shareholders shall abstain from voting in respect of their direct and indirect shareholdings in the Company, if any, at the forthcoming Nineteenth AGM on the resolutions approving the Proposed Shareholders' Mandates involving their interests, as stated in the Proposed Shareholders' Mandates.

The above-named Directors and/or Major Shareholders who are interested in the Proposed Shareholders' Mandates will also undertake to ensure that these persons connected to them will abstain from voting in respect of their direct and indirect shareholdings in the Company, if any, at the forthcoming Nineteenth AGM on the resolutions deliberating or approving the Proposed Shareholders' Mandates involving their interests, as stated in the Proposed Shareholders' Mandates.

Save for the Directors and/or Major Shareholders and persons connected to them as set out above, no other Directors or Major Shareholders of the Group and persons connected to them have any interest, direct or indirect, in the Proposed Shareholders Mandates. Where the persons connected with a Director and/or Major Shareholder of the Group have any interest, direct or indirect, in the Proposed Shareholders' Mandates, the Director and/or Major Shareholder concerned will also abstain from voting in respect of their direct or indirect shareholdings in the Company, if any, at the forthcoming Nineteenth AGM on the resolutions to approve the Proposed Shareholders' Mandates involving their interests, as stated in the Proposed Shareholders' Mandates.

## 8. DIRECTORS' RECOMMENDATION

Having considered the rationale for all aspects of the Proposed Shareholders' Mandates and deliberated on the same, save and except for DSRT and CCL, the Board is of the opinion that the Proposed Shareholders' Mandates are in the best interest of the Group.

With the exception of DSRT and CCL who are interested in the Proposed Shareholders' Mandates in the manner disclosed in the table in Section 2.5 of this Circular and have therefore abstained from making any recommendation in respect of the Recurrent Related Party Transactions in which they are involved, the Board recommends that you vote in favour of the Ordinary Resolutions on the Proposed Shareholders' Mandates to be tabled at the forthcoming Nineteenth AGM.

## **9. AGM**

For purposes of approving the Proposed Shareholders' Mandates at the Nineteenth AGM, which will be held at Perdana IV, Level 3, Cititel Hotel, 66 Jalan Penang, 10000 Penang, Malaysia, on Wednesday, 15 May 2019 at 11.00 a.m., the Notice of which is enclosed in the Company's 2018 Annual Report.

If you are unable to attend and vote in person at the Nineteenth AGM, you are requested to complete, sign and return the Proxy Form enclosed in the Company's 2018 Annual Report, in accordance with the instructions contained therein as soon as possible so that it would arrive at the Registered Office of the Company not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting thereof and in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll at the Nineteenth AGM. Pursuant to Paragraph 8.29A(1), Chapter 8 of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in the notice of the Nineteenth AGM are required to be voted by poll.

The lodging of the Proxy Form will not preclude you from attending and voting in person at the forthcoming Nineteenth AGM should you subsequently wish to do so.

## **10. FURTHER INFORMATION**

Shareholders of the Company are requested to refer to the attached Appendix I for further information.

Yours faithfully

For and on behalf of the Board of

**WAH SEONG CORPORATION BERHAD**

**Halim Bin Haji Din**  
**Independent Non-Executive Director**

**Professor Tan Sri Lin See Yan**  
**Senior Independent Non-Executive Director**

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**PART C**

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



## Wah Seong Corporation Berhad

(Company No. 495846-A)

(Incorporated in Malaysia)

Registered Office:  
Suite 19.01, Level 19  
The Gardens North Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Malaysia

16 April 2019

### Board of Directors:

Dato' Seri Robert Tan Chung Meng (*Non-Independent Non-Executive Chairman*)  
Chan Cheu Leong (*Managing Director / Group Chief Executive Officer*)  
Giancarlo Maccagno (*Deputy Managing Director*)  
Professor Tan Sri Lin See Yan (*Senior Independent Non-Executive Director*)  
Halim Bin Haji Din (*Independent Non-Executive Director*)  
Tan Jian Hong, Aaron (*Non-Independent Non-Executive Director*)  
Tan Sri Saw Choo Boon (*Independent Non-Executive Director*)

### To : The Shareholders of Wah Seong Corporation Berhad

Dear Sir/Madam,

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## PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY

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### 1. INTRODUCTION

The Board of Directors of the Company had on 15 March 2019 announced to Bursa Securities that the Company proposes to seek its shareholders' approval for the adoption of the new Constitution of the Company at the forthcoming Nineteenth AGM. The proposed adoption of the new Constitution of the Company ("Proposed Adoption of Constitution") in substitution of the existing Memorandum & Articles of Association in its entirety is to be in line with the recent amendments to the Act and the Main Market Listing Requirements and other prevailing statutory or regulatory requirements which have been revised and where relevant, to render consistency throughout.

The purpose of this Circular is to provide you with the details of the Proposed Adoption of Constitution and to seek your approval for the Special Resolution to be tabled at the forthcoming Nineteenth AGM.

### 2. DETAILS OF THE PROPOSED ADOPTION OF CONSTITUTION

The details of the Proposed Adoption of Constitution are as set out in Appendix III of this Circular.

### 3. RATIONALE FOR THE PROPOSED ADOPTION OF CONSTITUTION

The Proposed Adoption of Constitution is primarily for the purpose of streamlining the Company's existing Constitution to be in line with the recent amendments to the Act and the Main Market Listing Requirements and other prevailing statutory or regulatory requirements which have been revised and where relevant, to render consistency throughout.

**4. CONDITION OF THE PROPOSED ADOPTION OF CONSTITUTION / APPROVAL REQUIRED**

The Proposed Adoption of Constitution is subject to the approval of the shareholders of the Company at the forthcoming Nineteenth AGM.

**5. EFFECTS OF THE PROPOSED ADOPTION OF CONSTITUTION**

The Proposed Adoption of Constitution is not expected to have any effect on the issued shares and substantial shareholders' shareholdings of the Company, the consolidated NA per share and the consolidated earnings of the Group for the financial year ending 31 December 2019.

**6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

None of the Directors, Major Shareholders and/or persons connected to the Directors or Major Shareholders of the Company have any interest, direct or indirect in the Proposed Adoption of Constitution.

**7. DIRECTORS' RECOMMENDATION**

The Board having considered the rationale and all aspects of the Proposed Adoption of Constitution is of the opinion that the Proposed Adoption of Constitution is in the best interest of the Company and its shareholders. Accordingly, the Board recommends that you vote in favour of the Special Resolution pertaining to the Proposed Adoption of Constitution at the forthcoming Nineteenth AGM.

**8. AGM**

For purposes of approving the Proposed Adoption of Constitution at the Nineteenth AGM, which will be held at Perdana IV, Level 3, Cititel Hotel, 66 Jalan Penang, 10000 Penang, Malaysia, on Wednesday, 15 May 2019 at 11.00 a.m., the Notice of which is enclosed in the Company's 2018 Annual Report.

If you are unable to attend and vote in person at the Nineteenth AGM, you are requested to complete, sign and return the Proxy Form enclosed in the Company's 2018 Annual Report, in accordance with the instructions contained therein as soon as possible so that it would arrive at the Registered Office of the Company not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting thereof and in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll at the Nineteenth AGM. Pursuant to Paragraph 8.29A(1), Chapter 8 of the MMLR of Bursa Securities, all resolutions set out in the notice of the Nineteenth AGM are required to be voted by poll.

The lodging of the Proxy Form will not preclude you from attending and voting in person at the forthcoming Nineteenth AGM should you subsequently wish to do so.

**9. FURTHER INFORMATION**

Shareholders of the Company are requested to refer to Appendices I & III for further information.

Yours faithfully

For and on behalf of the Board of

**WAH SEONG CORPORATION BERHAD**

**Halim Bin Haji Din**  
Independent Non-Executive Director

**Professor Tan Sri Lin See Yan**  
Senior Independent Non-Executive Director

## **APPENDIX I**

### **ADDITIONAL INFORMATION**

#### **1. RESPONSIBILITY STATEMENT**

This Statement/Circular has been seen and approved by the Board who collectively and individually accept full responsibility for the accuracy of the information given and confirmed that, after making all reasonable enquiries as 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, CLAIMS AND ARBITRATION**

As at 29 March 2019, being the LPD prior to the printing of this Statement/Circular, neither the Company nor its subsidiaries have engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Group and to the best knowledge of the Board, there are no proceeding pending or threatened or any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group.

#### **3. MATERIAL CONTRACTS**

Save as disclosed below, neither the Company nor its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business of the Group) within two (2) years preceding the date of this Circular:-

- (i) On 24 July 2017, the following indirect subsidiaries of the Company namely Wasco Resources Sdn Bhd, Wasco Coatings Services Sdn Bhd, Wasco Coatings Insulation Sdn Bhd, Wasco Lindung Sdn Bhd and Wasco Coatings Malaysia Sdn Bhd entered into a Sale and Purchase Agreement (“SPA”) with RHB Trustees Berhad, as trustee for Axis Real Estate Investment Trust for the disposal of lands measuring approximately 126.55 acres in area comprising:-
  - (a) all that piece of leasehold land held under H.S.(D) 37766, No. PT 14572, Mukim Sungai Karang, District of Kuantan, State of Pahang measuring approximately 350,208 sq. metres (approximately 86.54 acres) under the category of “Perusahaan/Perindustrian” with leasehold expiring on 8 November 2109 together with all buildings and structures erected thereon (“Land 1”) for a consideration of RM120,000,000.00 only; and
  - (b) a portion of land measuring approximately 40.01 acres in area forming part of land held under PN 21278 for Lot 106048, Mukim of Sungai Karang, District of Kuantan, State of Pahang (“Master Title”) which has been approved for subdivision (“Land 2”) for a consideration of RM35,000,000.00 only;

subject to the terms and conditions as are stipulated in the SPA (“Disposal”).

The total consideration of the Disposal is RM155,000,000.00 only.

- (ii) On 21 December 2017, the Company and WSC Capital entered into the respective Share Sale Agreements with Agro Panorama Sdn Bhd (“APSB”) for the disposal of the entire 2,000,001 ordinary shares and 3,000,000 redeemable preference shares representing 100% of the equity interest in WS Agro Industries Pte. Ltd. (“WS Agro”), for a total cash consideration of USD3,000,000.00 respectively. With that WS Agro ceased to be a wholly-owned subsidiary of the Company.
- (iii) On 3 August 2018, STHT entered into a Share Sale Agreement with Lesso Home Services Holdings Limited (“LHSH”), the existing shareholder of Lesso Home Syn Tai Hung Sdn. Bhd. (“LHSTH”) for the disposal of 490,000 ordinary shares representing 49% of the equity interest in LHSTH, for a total cash consideration of RM440,000.00 only (“Disposal of

LHSTH”). With the completion of the Disposal of LHSTH, LHSTH became a wholly-owned by LSH and the Joint Venture and Shareholders’ Agreement dated 3 January 2017 entered into between STHT and LSH shall hence be terminated accordingly.

- (iv) On 27 August 2018, PMTI entered into a Joint Venture Agreement with Saito Separator Limited (“SAITO”) for the purpose of combining their capabilities and expertise in commencing and carrying out the following businesses through a proposed new joint venture company:
  - (a) Manufacturing accessories and equipment under the brand of ‘SAITO’, for disc bowl centrifuge for palm oil industry;
  - (b) Manufacturing of decanters model SID-550P and 580P for palm oil industry; and
  - (c) Manufacturing and development of new products in any industry subject to mutual agreement between PMTI and SAITO.
- (v) On 18 December 2018, JSB entered into a Sale and Purchase Agreement (“SPA”) with Maple for the disposal of lands measuring approximately 34,071 square metres in area comprising:-
  - (a) Geran 313567, Lot 169298, Mukim Klang, Daerah Klang, Negeri Selangor measuring 15,860 square metres in area (“Land 1”) for a consideration of RM13,700,000.00 only; and
  - (b) Geran 32546, Lot 1944, Mukim Klang, Daerah Klang, Negeri Selangor measuring 18,211 square metres in area together with a factory erected thereon bearing postal address 1930, Batu 7, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam Selangor Darul Ehsan (“Land 2”) for a consideration of RM22,800,000.00 only;

subject to the terms and conditions as are stipulated in the SPA (“Disposal”).

The total consideration of the Disposal is RM36,500,000.00 only.

- (vi) On 20 December 2018, Maple entered into a Sale and Purchase Agreement (“SPA”) with PMTI for the disposal of lands measuring approximately 36,726 square metres in area comprising:-
  - (a) Geran 32543, Lot 1929, Mukim Klang, Daerah Klang, Negeri Selangor measuring 18,363 square metres in area together with a factory building erected thereon bearing postal address at Lot 1929, Batu 7, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan (“Land 1”) for a consideration of RM27,000,000.00 only; and
  - (b) Geran 32544, Lot 1930, Mukim Klang, Daerah Klang, Negeri Selangor measuring 18,363 square metres in area together with a factory building erected thereon bearing postal address at Lot 1930, Batu 7, Jalan Bukit Kemuning, Seksyen 32, 40460 Shah Alam, Selangor Darul Ehsan (“Land 2”) for a consideration of RM27,400,000.00 only;

subject to the terms and conditions as are stipulated in the SPA (“Disposal”).

The total consideration of the Disposal is RM54,400,000.00 only.

- (vii) On 20 December 2018, the Company entered into a Sale and Purchase Shares Agreement with JSB for the disposal of 50,000 ordinary shares representing 100% of the equity interest in Peakvest Sdn. Bhd. (“PSB”), for a total consideration of RM50,000.00 only (“Disposal of PSB”). With the completion of the Disposal of PSB, PSB ceased to be a wholly-owned subsidiary of the Company and became an indirect wholly-owned subsidiary of the Company via JSB.



#### **4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours from Mondays to Fridays (except on public holidays) at the Registered Office of the Company from the date of this Statement/Circular up to and including the date of the forthcoming Nineteenth AGM :-

- (i) Constitution of the Company;
- (ii) Audited consolidated financial statements of the Company for the past two (2) financial years ended 31 December 2017 and 31 December 2018;
- (iii) The latest consolidated quarterly results of the Company ended 31 March 2019 are not available as at the date of the printing of this Circular, but would be available from 10 May 2019 to the date of Nineteenth AGM; and
- (iv) Material contracts referred to in paragraph 3 of this Appendix I.

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## APPENDIX II

### INFORMATION ON PURCHASES BY THE COMPANY OF ITS OWN SHARES FOR THE PAST TWELVE (12) MONTHS UP TO 29 MARCH 2019, BEING THE LPD PRIOR TO THE PRINTING OF THIS CIRCULAR

Date of Buy-Back	No. of Shares Bought-Back	Purchase Price Per Share (RM)			Total Consideration (inclusive of transaction costs) (RM)
		Lowest	Highest	Average	
11/6/2018	25,000	1.350	1.350	1.352	33,793.88
12/6/2018	25,000	1.350	1.350	1.352	33,793.88
18/6/2018	20,000	1.350	1.370	1.363	27,252.17
19/6/2018	58,300	1.310	1.340	1.329	77,458.84
22/6/2018	22,700	1.290	1.300	1.298	29,471.08
25/6/2018	30,000	1.290	1.300	1.298	38,951.58
26/6/2018	30,000	1.280	1.290	1.285	38,549.05
27/6/2018	30,000	1.280	1.290	1.288	38,651.19
3/7/2018	30,000	1.260	1.280	1.272	38,149.53
4/7/2018	30,000	1.240	1.240	1.242	37,248.36
5/7/2018	30,000	1.250	1.260	1.260	37,804.09
11/7/2018	50,000	1.240	1.250	1.248	62,380.99
12/7/2018	10,000	1.210	1.210	1.212	12,115.73
13/7/2018	50,000	1.240	1.250	1.248	62,380.99
16/7/2018	50,000	1.220	1.230	1.228	61,379.69
17/7/2018	50,000	1.220	1.230	1.228	61,379.69
18/7/2018	50,000	1.220	1.230	1.228	61,379.69
20/7/2018	50,000	1.230	1.240	1.238	61,880.34
3/9/2018	80,000	1.140	1.150	1.148	91,819.21
4/9/2018	70,000	1.110	1.130	1.126	78,802.62
5/9/2018	50,000	1.050	1.060	1.058	52,888.67
6/9/2018	50,000	1.030	1.040	1.035	51,767.21
12/9/2018	80,000	0.980	1.010	0.997	79,753.95
13/9/2018	20,000	0.995	1.000	0.999	19,975.94
14/9/2018	60,000	1.000	1.010	1.006	60,378.39
18/9/2018	50,000	0.990	1.000	0.997	49,864.74
19/9/2018	10,000	0.995	0.995	0.996	9,964.99
20/9/2018	50,000	1.010	1.010	1.011	50,565.65
12/10/2018	25,000	0.980	0.980	0.981	24,531.85
15/10/2018	50,000	0.990	0.995	0.994	49,714.55
16/10/2018	40,000	0.980	0.985	0.984	39,351.09
17/10/2018	50,000	0.990	0.995	0.994	49,714.55
18/10/2018	23,600	0.985	0.985	0.986	23,276.23
19/10/2018	50,000	0.980	0.980	0.981	49,063.70
22/10/2018	50,000	0.975	0.995	0.988	49,389.13
23/10/2018	50,000	0.965	0.980	0.980	48,984.10
24/10/2018	100,000	0.945	0.950	0.951	95,119.50
25/10/2018	100,000	0.925	0.940	0.935	93,511.41
26/10/2018	100,000	0.920	0.930	0.927	92,701.36
29/10/2018	100,000	0.890	0.905	0.899	89,947.78
30/10/2018	150,000	0.890	0.895	0.893	133,924.38
31/10/2018	100,000	0.900	0.900	0.901	90,117.00
1/11/2018	50,000	0.890	0.895	0.894	44,683.02
5/11/2018	10,000	0.890	0.890	0.891	8,914.67
9/11/2018	30,000	0.890	0.890	0.891	26,734.71
13/11/2018	30,000	0.880	0.885	0.884	26,509.43
14/11/2018	30,000	0.860	0.870	0.865	25,958.81
15/11/2018	30,000	0.860	0.865	0.864	25,933.57

## APPENDIX III

### PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY

Company No.

495846	A
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#### THE COMPANIES ACT, 2016 MALAYSIA

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#### PUBLIC COMPANY LIMITED BY SHARES

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#### CONSTITUTION OF WAH SEONG CORPORATION BERHAD

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1. The name of the Company is **WAH SEONG CORPORATION BERHAD**.
2. The registered office of the Company will be situated in Malaysia.
3. The objects for which the Company is established are :-
  - (1) To purchase, acquire, invest, sell shares, stocks, debentures, debentures stocks, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in any part of the world, and debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioners, public body of authority supreme, municipal, local or otherwise, whether at home or abroad.
  - (2) To carry on the business as civil, mechanical, electrical, structural, consulting and general engineers and to undertake manufacturing activity relating to infrastructure, engineering, technology advancement, oil and gas and related industries.
  - (3) To carry on business as managers, consultants, agents and advisors on all matters relating to the management, corporate services and treasury, maintenance, marketing and supervision of housing projects, office blocks, commercial complexes, hotels, resorts, restaurants, clubs, stores, shops, schools and shopping complexes.
  - (4) To aid, finance, subsidize or assist any company, corporation, association, firm or individual with capital, credit, means and resources of engaging in or carrying on any business or transaction which this Company is authorized to carry on or be engaged in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company and in particular for the import, export, purchase, sales, lease, letting, dealing in, hiring and letting on hire, under hire-purchase agreements or otherwise of any motor cars or vehicles or any of other articles, goods, wares, merchandises, or things and for the acquisition of taking on leases or hiring of land, buildings, offices, or premises or the prosecution of any works, undertakings, projects or enterprises connected with any of the said businesses or capable of being taken or carried on so as directly or indirectly to benefit this Company.
  - (5) To lend and advance money or give credit to such person or companies and on such terms as may seem expedient, and in particular to customers, companies, corporation, firms and others having dealings with the Company, and to give guarantees or become surety and give security for any such persons or companies and to guarantee or otherwise support or secure, either with or without the

Company receiving any consideration or advantage and whether by personal covenant or by mortgaging or charging all or part of the undertaking property assets rights and revenues present and future uncalled capital of the Company or by both such methods or by any other means whatsoever, the liabilities and obligations of and the payment of any moneys whatsoever (including but not limited to principal, interest and other liabilities of any borrowings or acceptance credits and capital, premiums, dividends, costs and expenses on any stocks, shares or securities) by any person, firms or company including but not limited to any company which is for the time being the holding company or a subsidiary (both as defined by Section 4 of the Companies Act, 2016) of the Company or of the Company's holding company.

- (6) To construct, maintain, improve, develop, work, control, operate and manage any piers, wharves, waterworks, garages, and petrol, oil and gas, fuel and service stations, gasworks, reservoirs, roads, tramways, electric power, heat and light supply works, telephone works, motels, guest houses, rest houses, clubs, restaurants, baths, places of worship, places of amusement, pleasure grounds, parks, gardens, reading rooms, stores, shops, dairies, and other works and conveniences which the Company may think directly or indirectly conducive to these objects, and to contribute or otherwise assist or take part in the construction, maintenance, development, working, control and management thereof.
- (7) To purchase, take on lease, hire or otherwise acquire, build, construct, erect, equip, maintain, repair, adapt, pull down, demolish, reconstruct, make and manufacture factories, buildings, offices, mills, machinery engines, plant, tools, implements, carts, vehicles, rolling-stock, live and dead stocks, stores, appliances, effects and other works, things and property of any kind.
- (8) To receive money on deposit or to borrow or raise money with or without security, or to secure the payment or repayment of money or the satisfaction, observance or performance of any obligations or liability undertaken or incurred by the Company in such manner as the Company thinks fit and in particular by mortgage or charge upon the undertaking or any part of the undertaking of the Company or upon all or any assets of the Company or by the creation and issue of debentures or debenture stock or loan stock (perpetual or terminable) charged as aforesaid or constituting or supported by a floating charge upon present and future property including uncalled and called unpaid capital.
- (9) To carry on all or any of the businesses of importers, exporters and general traders and to buy, sell, import, export, manufacture and prepare for market and deal in goods and merchandise of all descriptions both wholesale and retail and to transact every kind of agency businesses and to undertake the business of marketing and or distribution representatives.
- (10) To carry on business as capitalists, financiers, concessionaires, miners and merchants and to guarantee or become liable for the payment of money or for the performance of any obligation and to undertake and carry on and execute all kinds of financial, mining, commercial, trading and other operations and to carry on any other business which may seem to be capable of being carried on in connection with any of these objects or be calculated directly or indirectly to enhance the value of or facilitate the realization of or render profitable any of the Company's property or rights.
- (11) To promote or assist in the promotion of any company for the purpose of acquiring or undertaking all or any of the property and undertaking any of the liabilities of this Company, or of undertaking any business or operations which may seem directly or indirectly likely to assist or benefit this Company, or to enhance the value of any property or business of this Company, or for any other purpose which may seem directly or indirectly calculated to benefit this Company, and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares, debentures or debenture stock or securities of any such company and to subsidize or otherwise assist any such company.
- (12) To purchase or otherwise acquire and undertake the whole or any part of the business, goodwill, assets and liabilities of any person, firm or company carrying on or proposing to carry on any business which the Company is authorized to carry on or engage in or possessed of property suitable for the purpose of or that may be conducive to the interest of this Company and in particular so that the consideration may be wholly or partly satisfied by the allotment of shares, debentures, debenture stock or securities of the Company.

- (13) To amalgamate, enter into partnership or any arrangement for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession, mutual assistance or otherwise with any person, firm or company, carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorized to carry on or be engaged in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company and to acquire in any manner whatsoever shares and securities of any such company.
- (14) To sell or dispose of all or any of the undertaking and assets of the Company for such consideration as the Company may think fit, and in particular for shares, debentures, debenture stock or securities of any Company having objects altogether or in part similar to those of this Company.
- (15) To enter into any arrangement with any governments or authorities, municipal, local or otherwise, that may seem conducive to the Company's objects, or any of them, and to obtain from such government or authority any rights, and concessions which the Company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
- (16) To borrow or raise money and to ensure the repayment of any money borrowed, raised or owing in such manner as the Company shall think fit, and in particular by the issue of debenture or debenture stock, perpetual or otherwise, charged upon, and by mortgage, charge, lien, debentures or debenture stock of and on the whole or any part of the Company's property or assets (both present or future), including its uncalled capital, and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company of any obligation or liability it may undertake.
- (17) To establish or aid in the establishment to contribute to and to support or guarantee funds, trusts, insurance or pension schemes and to make payment of gratuities, scholarships, medical benefits and to make or enter into any other whatsoever arrangement calculated or likely to benefit any person or persons who are or have any time been employed by the Company or its predecessors in business and the dependents or relatives of such person or persons
- (18) To develop and turn into account any land acquired by the Company or in which it is interested and in particular by laying out and preparing the same for building purposes, constructing, altering, fitting up, decorating, demolishing, maintaining and improving buildings and by planting, paying, draining, letting on buildings leases or agreements and by advancing money to and entering into contracts and agreements of all kinds with builders, tenants and others.
- (19) To enter into any contracts in relation to and to erect, construct, maintain, make, operate, own, alter, repair, pull down and restore either alone or jointly with any other companies or persons, works of all descriptions including wharves, docks, piers, railways, tramway, waterways, roads, bridges, warehouses, factories, mills, engines, machines, railway carriages and wagons, oil and gas works, electric works, water and oil rig works, drainage and sewerage works and buildings of every description.
- (20) To carry or conduct all or any of the business of builders, carpenters, carriers, contractors, decorators, dredgers, prospectors, job-masters, quarrymen, quarry proprietors, and smelters, victuallers, agents, dealers, exporters and importers, merchants, makers or manufacturers for or in all goods, lines, matters and things including bricks, furniture, hardware, lime, metals sand, stone, tiles, timber, terra cotta and all building requisites, estate house or land agents.
- (21) To carry on business as exporters, importers, cultivators, winners, saw-millers, and manufacturers of and dealers and traders in description of timber, wood and cane, raw, manufactured or manufactured goods and articles of any description made entirely partly of wood, timber or cane or any combination thereof, and by-products of any descriptions obtained from wood, timber, or other forest or plant matter or things of any description, or resulting from the handling, manufacture, or processing of wood, timber, cane, or other forest produce, matter or thing including coal, charcoal, paper plastics and other synthetic materials.
- (22) To carry on the business of manufacturers of and dealers in paper of all kinds, and articles made from paper or pulp, and materials used in the manufacture or treatment of paper, including

cardboards, railway and other tickets, mill boards, and wall and ceiling papers and to carry on the business of stationers, lithographers and publishers.

- (23) To carry on any whatsoever form of business, trade or undertaking whether as principals, agents, sub-agents or consignee, and to deal in any form of produce, matter or thing.
- (24) To manage, operate and maintain fuel, oil and petrol pumps, stations and retail and wholesale agencies, and garages, service stations, workshops and repair shops.
- (25) To obtain, procure, purchase, take on lease or sublease, exchange or otherwise acquire in any part of the world any concessions, grants, claims, licenses, leases, options, rights or privileges for any mining objects or purposes or any mines, mining rights or concessions or any metalliferous lands, gravels or rivers, or any lands of whatsoever tenure or title containing or supposed to contain tin, precious stones, gold, silver, lead, wolfram, copper, iron, oil, coal, or other valuable products and to explore, work, exercise, develop or otherwise turn to account, deal with or dispose of any such concessions, grants, claims, licenses, leases, mines, lands, options, rights or privileges and produce thereof.
- (26) To search for, win, get, work, raise, smelt, calcine, refine, dress, amalgamate, quarry, reduce, wash, crush and prepare for market, manipulate and make merchantable, buy, sell and deal in tin, iron and other metals, minerals and other mineral substances, precious stones and any other produce of any mines or properties, vegetable and other produce and material and substances of all kinds, and generally to carry on any metallurgical operations which may seem conducive to any of the Company's objects.
- (27) To carry on business as tourist and travel agents and contractors, and to facilitate tourism and travelling, and to provide for tourists, travelers, holiday-makers and vacationers, and to promote the provision of all whatsoever amenities, conveniences and facilities including passages, tickets, through tickets, circular tickets, sleeping cars and berths, reserved places, and carriage and transport of all kinds, including the hire of any form or system of transport.
- (28) To provide hotel and lodging facilities and all other kinds of accommodation, guides, safe deposits, inquiry bureaus, libraries, baggage transport and otherwise generally to provide all whatsoever amenities requirements and services convenient, expedient and necessary for persons touring, travelling, holding, develop, promote, operate, manage, work and control holiday resorts and camps, vacation centers and to arrange, organize and manage tours of all kinds; to arrange, organize and manage cruises, journeys, tours, travels, trips, voyages and expeditions of all kinds, and to promote, organize and manage amusements, carnivals, cinemas, circuses, entertainments, exhibitions, expositions, fairs, festivals, play-ground, theatres, shows, plays, game competitions, contests, races, sports and recreation of all kinds and to provide and manage all whatsoever arenas, courses, courts, fields, gymnasiums, halls, pitches, pools, rings, rinks, stadium, tracks and places thereof.
- (29) To purchase, hire, sell, deal in, construct, equip, maintain, improve, repair and use motor-cars, motor-lorries, motor-cycles, steam cars, steam wagons, tractors, aeroplanes, bicycles, carts, carriages, ropeways, cableways, high lead lines, cranes and all other forms of craft, machine of vehicle, animals or material, either terrestrially, sub-terraneously, or aerially and all tools and parts thereof and all other things proper to be used in connection therewith.
- (30) To carry on all or any of the business of manager of shipping property, freight contractors, carriers by land, and air, barge owners, lightermen, stevedores, forwarding agents, and any other form of transport business, ice merchants, refrigerating, storekeeper, warehousemen, wharfingers and general traders.
- (31) To carry on the business of chemists, druggists, drysalters, oil and colourmen and importers, exporters and manufacturers of and dealers in all pharmaceutical, medicinal, chemical, industrial, and other preparations, articles and compounds, cement, oils, paints, pigments and varnishes, drug, dye-ware paint and colour grinders, makers of and dealers in proprietary articles of all kinds and of electrical, chemical, photographical, surgical and scientific apparatus and materials and to buy, sell, manufacture, refine, manipulate and deal in all substances, apparatus, and things capable of being

used in any such business as aforesaid or in any way in connection therewith.

- (32) To apply for, purchase, or otherwise acquire and protect and renew in any part of the world any patents, patent rights, brevets d'invention, trademarks, designs, licenses, concessions, and the like, conferring any exclusive or non-exclusive or limited right to their use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop, or grant licenses in respect of, or otherwise, turn to account the property, rights or information so acquired and to expend money in experimenting upon testing or improving any such patents, inventions, or rights.
- (33) To purchase, hire or otherwise acquire any photographic and other apparatus in connection with cinematograph shows, amusement parks, exhibition and all kinds of entertainment business.
- (34) To invest the capital of the Company and make advances on all description of motor vehicles and other goods, wares and merchandise whether on mortgage or bill of sale or assignment and whether subject to hire-purchase agreements or otherwise and to seize, retake, sell, dispose of or repurchase the same and generally to finance the carrying on of the hire-purchase business in all its branches.
- (35) Subject to the provisions of any laws in force to buy and sell foreign currency and exchange and to accept money for remittance to all countries and accept deposit of money on loan at interest or without interest.
- (36) To advance, deposit, or lend money, securities and property, to or with such persons and on such terms as may seem expedient and to discount, buy, sell, bills, notes, warrants, coupons and other negotiable or transferable documents.
- (37) To carry on the business as financiers for the promotion of the sale for cash or on credit or on the instalment system, hire purchase or easy payment or otherwise relating to the goods of the Company and in connection therewith or otherwise to lend and advance monies to or negotiate loans on behalf of such persons, firms or companies and on such terms as may be expedient.
- (38) To transact and carry on all kinds of agency business and in particular to collect rents and debts and to negotiate loans to find investment and to issue, place shares, stocks, debenture stocks or securities.
- (39) To administer trust estate, and the estates of deceased, bankrupt or insolvent persons or the property of companies in liquidation or any other estates liquidation and to undertake the office of trustee, executor, administrator, assignee, inspector, liquidator, custodian, guardian, treasurer, or any similar office, and to perform and discharge the duties of any such office for commission, or other remuneration, or otherwise.
- (40) To appoint any persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested and for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trustee or trustees.
- (41) To subscribe for, take, underwrite, purchase, or otherwise acquire and hold shares, debentures, debenture stocks or other interest in or securities of any other company having objects altogether or in part similar to those of this Company, or carrying on any business capable of being conducted so as directly to benefit this Company.
- (42) To invest with the moneys of the Company not immediately required upon such securities and in such manner as may from time to time be determined.
- (43) To sell, improve, manage, develop, lease, mortgage, dispose of, exchange, turn into account or otherwise deal with all or any part of the property and rights of the Company.
- (44) To distribute any property of the Company whether upon a division of profits or a distribution of assets, among the members in specie or otherwise.

- (45) To remunerate any person or company for services or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares in or debentures, debenture stocks or other securities of the Company or in or about the promotion, formation, or business of the Company, or of any other company promoted wholly or in part by this Company.
- (46) To establish or support or to aid in the establishment and or support of and to make donations or subscription to or to subsidize any whatsoever association, fund, institution, place of worship, school, society or any other body or partly having or for any objects or purposes whatsoever.
- (47) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading and other negotiable or transferable instruments.
- (48) To adopt such means of making known and advertising the business and products of the Company as may seem expedient.
- (49) To procure the Company to be registered or recognized in any country or place outside Malaysia.
- (50) To carry on the business of garage keepers and suppliers of and dealers in plant, electricity and other motive power to motor and other things.
- (51) To purchase, take on lease or in exchange, hire and otherwise acquire any movable or immovable property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business and in particular any land, buildings, easements, machinery, plant and stock in trade.
- (52) To carry on any other business whether similar to the foregoing or not which may seem to the Company capable of being conveniently carried on in connection with any of the objects of the Company or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
- (53) To purchase the shares in the Company which are then in issue and to utilize of the funds, undertaking or assets of the Company for such purchase in a manner as may from time to time be prescribed and allowed by law and any rules, regulations and guidelines of the relevant authorities.

And it is hereby declared that the word 'company' in this Clause, except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated and whether domiciled in Malaysia or elsewhere, and further that the objects specified in each paragraph of this clause shall be regarded as independent objects and accordingly shall, except where otherwise expressed in any paragraph, be in no wise limited or restricted by reference to, or inference from the terms of any other paragraph or the name of the Company but may be carried out in as full and ample a manner and construed just as wide a sense as if the said paragraph defined the objects of a separate distinct and independent company.

The Company has the full rights, powers and privileges for the purpose of carrying out the objects as specified under Clause 3 or otherwise permitted by law.

- 4. The liability of the Members is limited.
- 5. 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 or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.
- 6. Subject always to the respective rights, terms and conditions mentioned in Clause 5 hereof, the Company shall have power to increase or reduce the capital, to consolidate or sub-divide the shares into shares of larger or smaller amounts and to issue all or any part of the original or any additional capital as fully paid or partly paid shares, and with any special or preferential rights or privileges, or subject to any special terms or conditions and either with or without any special designation, and also from time to time to alter, modify, commute, abrogate or deal with any such rights, privileges, terms, conditions or designations in accordance



with the laws and regulations for the time being governing the Company.

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

- (a) “**Act**” means the Companies Act, 2016 and any statutory modification, amendment or re-enactment thereof for the time being in force.
- (b) “**Board**” means the Board of Directors for the time being of the Company.
- (c) “**Books Closing Date**” means the specified time and date set by the Company for the purpose of determining entitlements to dividends, interest or new securities or other distributions or rights of the Company’s shareholders.
- (d) “**Constitution**” means the Constitution as originally framed or as altered from time to time by Special Resolution.
- (e) “**Clause**” means the Clause contained in this Constitution as originally framed or as altered from time to time by Special Resolution.
- (f) “**Company**” means **WAH SEONG CORPORATION BERHAD**.
- (g) “**Depository**” means Bursa Malaysia Depository Sdn Bhd or such other name by which it may be known from time to time.
- (h) “**Depository Act**” means the Securities Industry (Central Depositories) Act 1991 as amended from time to time and any re-enactment thereof.
- (i) “**Depositor**” means a holder of a securities account established by the Depository.
- (j) “**Deposited Security**” means a security in the Company standing to the credit of a securities account and includes a security in a securities account that is in suspense or such other definition as may from time to time be amended pursuant to the Depository Act.
- (k) “**Director**” means the Directors for the time being of the Company and where applicable it has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007.
- (l) “**Exchange**” means Bursa Malaysia Securities Berhad or such other name by which it may be known from time to time.
- (m) “**Listing Requirements**” means Bursa Malaysia Securities Berhad Main Market Listing Requirements, including any amendment that may be made from time to time.
- (n) “**Market Day**” means a day on which the stock market of the Exchange is open for trading in Securities.
- (o) “**Member/Members**” includes a Depositor, who will be treated as if he were a member pursuant to Section 35 of the Securities Industry (Central Depositories) Act 1991 but excludes the Depository in its capacity as a bare trustee.
- (p) “**Month**” means calendar month.
- (q) “**Office**” means the registered office for the time of the Company.
- (r) “**Official List**” means a list specifying all securities listed on the Main Market.
- (s) “**Paid-up**” includes credited as paid-up.
- (t) “**RM and Sen**” means Ringgit Malaysia and Sen respectively.

- (u) “**Record of Depositors**” means a record provided by the Depository to the Company under Chapter 24.0 of the Rules of the Depository.
- (v) “**Registrar**” means the Share Registrar appointed to perform the function of a Registrar in respect of the Company’s securities.
- (w) “**Register**” means the Register of Members to be kept at registered office pursuant to Section 47 of the Act.
- (x) “**Rules of the Exchange**” means the Rules of Bursa Malaysia Securities Berhad, including any amendment thereto that may be made from time to time.
- (y) “**Rules of the Depository**” means the Rules of Bursa Malaysia Depository Sdn Bhd, including any amendment that may be made from time to time.
- (z) “**Seal**” means the Common Seal of the Company.
- (aa) “**Secretary**” means any person or persons appointed to perform the duties of the secretary of the Company and shall include a joint, temporary, assistant or deputy secretary.
- (bb) “**Share Seal**” means the Share Seal of the Company.
- (cc) “**Shares**” means shares of the Company.
- (dd) “**Securities**” has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007.
- (ee) “**Securities Account**” means an account established by the Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor.
- (ff) “**Year**” means calendar year.
- (gg) Reference to “**writing**” shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and any other modes of representing or reproducing words in a visible form.
- (hh) Words importing the singular only shall include the plural and the masculine gender shall include the feminine and neuter genders and the word “**person**” shall include a corporation.
- (ii) Subject as aforesaid words or expressions contained in the Constitution shall be interpreted in accordance with the provisions of the Interpretation Act, 1967 as amended from time to time and any re-enactment thereto.
- (jj) The headings are inserted for convenience only and shall not affect the construction of the Constitution.

## SHARE CAPITAL

### 8. Issue of Shares

Subject to the provisions of the Act, the Constitution and the provisions of any resolution passed by the Company and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Directors may allot, issue, grant options over or otherwise dispose of shares from the unissued share capital of the Company to such persons, at such time, on such terms and conditions, with such preferred, deferred or other special rights or such restrictions in regards to dividends, voting, return of share capital or to issue at a premium or otherwise as they think proper, PROVIDED ALWAYS THAT:-

- (a) no shares shall be issued at a discount except in compliance with the provisions of the Act;

- (b) no shares shall be issued which shall have the effect of transferring a controlling interest, in the Company, without the prior approval of the members in general meeting;
- (c) every issue of shares or options to employees and/or Directors shall be approved by the members in general meeting and:-
  - (i) such approval shall specifically detail the amount of shares or options to be issued to such Director;
  - (ii) participation in the share scheme for employees is restricted to Directors and employees of the Company and its group only, whereby the Board of the Company may determine the eligibility and allocation criteria under a share scheme provided the aggregate allocation to Directors and senior management does not exceed 50% of the total number of shares to be issued under the scheme or any other percentage as may be determined by the Exchange from time to time.
- (d) the rights attaching to shares of a class other than ordinary shares shall be set out in the Constitution or expressed in the resolution passed for creating the same.
- (e) the Company must ensure that all new issues of securities for which listing is sought are made by way of crediting the Securities Accounts of the allottees with such securities save and except where it is specifically exempted from compliance with Section 38 of the Depository Act, in which event it shall so similarly be exempted from compliance with the Listing Requirements. For this purpose, the Company must notify the Depository of the names of the allottees and all such particulars required by the Depository to enable the Depository to make the appropriate entries in the Securities Accounts of such allottees.

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

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

Share certificates shall be issued pursuant to Section 97 of the Act.

## 9. Preference Shares

Without prejudice to any special rights previously conferred on the holders of any existing shares, but subject to the Act and the Constitution, any shares in the Company (whether forming part of the original capital or not) may be issued or have attached thereto such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by an ordinary resolution determine provided that:-

- (a) the holders of preference shares shall have the same rights as the holders of ordinary shares as regards to receiving notices, reports and audited financial statements and attending general meetings of the Company. They must be entitled to a right to vote in each of the following circumstances:-
  - (i) when the dividend or part of the dividend on the shares is in arrears for more than 6 months;
  - (ii) on a proposal to reduce the Company's share capital;
  - (iii) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
  - (iv) on a proposal that affects the rights attached to their rights and privileges;
  - (v) on a proposal to wind up the Company; and
  - (vi) during the winding up of the Company.
- (b) the Company shall not unless with the consent of the existing preference shareholders at a class

meeting held issue further preference capital equally with, or in priority above the preference shares already issued and also to issue preference shares carrying a right to redemption out of profits or redeemable at the option of the Company subject to the provisions of the Act and to redeem such shares on such terms and in such manner either at par or at a premium as they may think fit.

- (c) the repayment of preference shares other than redeemable preference shares or any alteration of preference shareholders' rights shall only be made pursuant to a special resolution passed by the preference shareholders provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing obtained from the holders of three-fourths of the preference shares concerned within two (2) months from the meeting shall be as valid and effectual as a special resolution duly carried at the meeting.

The redemption of preference shares shall be made pursuant to Section 72 (6) of the Act.

No issuance of preference shares shall be made which would result in the total nominal value of the issued preference shares exceeding the total nominal value of the issued ordinary shares at any time.

#### 10. Prohibition of commissions, discounts and allowances

The Company shall not apply any of its shares or cash, either directly or indirectly, in payment of any commission, discount or allowance to a person in consideration of his/her subscribing or agreeing to subscribe, whether absolutely or conditionally, for shares in the Company; or procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for shares in the Company pursuant to Section 79 of the Act.

#### 11. Permitted commissions

Notwithstanding Section 79 of the Act, the Company (or the Board on behalf of the Company) may exercise the powers conferred by Section 80 of the Act in applying any of its shares or cash, either directly or indirectly, in payment of a commission to a person in consideration of his/her subscribing or agreeing to subscribe whether absolutely or conditionally for any shares, or procuring or agreeing to procure subscription whether absolute or conditional, for any shares of the Company, provided that the payment of the commission shall be authorised by the Constitution of the Company and shall not exceed ten per centum (10%) of the price at which the shares are issued; or the amount or rate authorized by the Constitution, whichever is lesser.

#### 12. Dealing by the Company in its Own Shares

Pursuant to Section 123 of the Act the Company shall not give any financial assistance, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company; or in the case where the Company is a subsidiary, any shares in its holding company, or in any way purchase, deal in or lend money on its own shares. The Company shall not give financial assistance directly or indirectly for the purpose of reducing or discharging the liability, if a person has acquire shares in the Company or its holding company and the liability has been incurred by any person for the purpose of the acquisition of the shares unless otherwise provided in Section 123 of the Act.

#### 13. Purchase of Own Shares

Subject to the provisions of the Act, rules, regulations and orders made pursuant to the Act, the conditions, restrictions and limitations expressed in the Constitution and the requirements of the Exchange and any other relevant authorities and laws made or passed from time to time pertaining to such purchases, the Company shall have the power to purchase its own shares and any shares so purchased by the Company may be dealt with as provided by the Act and the requirements of the Exchange and/or any other relevant authorities.

#### 14. Shares issued for purposes of raising money for the construction of works and buildings

Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the

Company may pay interest or returns on the amount of such share capital as is for the time being paid up and charge the interest or returns paid to share capital as part of the cost of construction or provision as mentioned in Section 130 of the Act.

15. Trusts not to be recognised

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

## INCREASE OF CAPITAL

16. Power to Increase Capital

The Company may from time to time, pursuant to Section 75 and 76 of the Act and by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions with regards to dividend, return of capital or otherwise as the Company may direct in the resolution authorising such increase.

17. Shares to be offered to members before issue

Subject to any direction to the contrary that may be given by the company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the directors may dispose 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 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.

Notwithstanding the preceding Clauses, the Company may apply to the Exchange for waiver of the convening of a general meeting to obtain shareholders' approval for further issues of shares where:-

- (a) in accordance with the provisions of Section 75 and Section 76 of the Act, there is still in effect a resolution approving the issuance of shares by the Company; and
- (b) the aggregate shares issued of which in any one financial year do not exceed ten per cent (10%) of the total number of issued capital of the Company.

18. Rights of a Member

No person shall exercise any rights of a Member until his/her name shall have been entered in the Register and he/she shall have paid all calls and other moneys for the time being due and payable on any share held by him.

19. Obligation of Registered Holder

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

## 20. Rights and liabilities of New Shares

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

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

## 21. Allotment of Securities

Subject to the provisions of the Act, the Depository Act and the Rules of the Depository, the Company shall within the following period, allot and/or issue securities, despatch notices of allotment to the allottees and make an application for the quotation of such securities:-

- (a) within 8 Market Days of the final applications date or such other period as may be prescribed by the Exchange for issues of securities in respect of a public issue;
- (b) within 8 Market Days after the final applications closing date for a rights issue or such other period as may be prescribed or allowed by the Exchange;
- (c) within 8 Market Days after the date of receipt of a notice of the exercise of an employee share option together with the requisite payment in respect of a share scheme for employees, or such other period as may be prescribed or allowed by the Exchange; and
- (d) within 8 Market Days after the date of receipt of a subscription form together with the requisite payment in respect of warrant or other convertible securities, or such other period as may be prescribed or allowed by the Exchange.

## 22. Renewal of Share Certificate

Subject to the provisions of the Act, the Depository Act and the Rules, if any share certificate shall be defaced or worn out, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the Member, transferee, person entitled, Depository or its nominee company, purchaser, member company of the Exchange or on behalf of its/their client/s as the Directors shall require, and on delivery of the old certificate and on payment of such sum not exceeding RM50/- per certificate or such other sum as may from time to time be permitted by the Exchange as the Directors may determine plus the amount of the proper duty with which each such certificate is chargeable under any law for the time being in force relating to stamps.

## 23. No obligation to issue Certificate

Nothing in the Constitution shall require the Company to issue under the Seal, its duplicate common seal or its official seal for use outside Malaysia any certificate or other instrument, other than a share certificate, which is not required to be issued by law.

## 24. Share Certificate

Every share certificate shall be sealed in accordance with the Constitution and Section 97 of the Act and shall comply with the requirements of the Constitution, such Section and the Rules of the Exchange.

## 25. Lost Share Certificate

- (1) Where a certificate or other document of title to shares or debentures is lost, destroyed or stolen, the Company shall on payment of a fee not exceeding Ringgit Malaysia Fifty (RM50/-) only issue a duplicate certificate or document in lieu thereof to the owner on his/her application accompanied by:-

- (a) a statutory declaration that the certificate or document has been lost, destroyed or stolen, and has not been pledged, sold or otherwise disposed of, and, if lost, that proper searches have been made: and
- (b) an undertaking in writing that if it is found or received by the owner it will be returned to the Company.

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

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

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

## ALTERATION OF RIGHTS

### 26. Modification of Class Rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of the Constitution relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be three (3) persons at least holding or representing by proxy one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 292 of the Act shall apply with such adaptations as may be necessary.

### 27. Ranking of Class Rights

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

## ALTERATION OF CAPITAL

### 28. Alteration of Capital

- (1) The Company may from time to time by ordinary resolution :-

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Constitution (subject nevertheless to the provisions of the Act) and so that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived, and any resolution pursuant to which any share is sub-divided may determine that, as between the holders of shares resulting from such subdivision, one or more of such shares may have such preferred or other special rights over, or may be given any preference or advantage as regards dividends, return of capital voting or otherwise over the other or others of such shares; or
  - (c) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of the Company's share capital by the amount of the shares so cancelled.
- (2) The Company may by special resolution reduce its share capital and any capital redemption reserve fund in any manner authorised by the Act and subject to any consent required by the law.

## LIEN

### 29. Company's lien on shares

The Company shall have a first and paramount lien on every share (not fully paid share) for all money called or payable at a fixed time in respect of the particular share and the Company shall also have a first and paramount lien on all shares (other than fully paid shares) registered in the name of a Member for all moneys payable by him or his estate either alone or jointly with any other person, to the Company, but the Directors may at any time declare any share to be wholly or in part exempted from the provisions of this Clause. The Company's lien, if any, on a share shall extend to all dividends payable thereon and to such amounts as the Company may be called upon by law to pay and has paid in respect of the shares of the Member or deceased Member.

The Company's lien on shares and dividends from time to time declared in respect of such shares, shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay and has paid in respect of the shares of the Member or deceased Member.

### 30. Power of sale

The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen (14) days after notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.

### 31. Application of proceeds of sale

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

### 32. Transfer on sale under lien

To give effect to any sale for enforcing a lien in exercise of the powers hereinbefore given, the Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's



name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money nor shall his title to the share be effected by any irregularity or validity in the proceedings in relation to the sale.

### 33. Certificate of proprietorship

In the event of the re-allotment or sale of a forfeited or surrendered share, or the sale of any share to enforce a lien of the Company, a certificate in writing under the Seal of the Company that the share has been duly forfeited, surrendered or sold in accordance with the Constitution shall be sufficient evidence of the facts therein stated as against all persons claiming the share. A certificate of proprietorship shall be delivered to the purchaser or allottee, and he shall be registered in respect thereof, and thereupon he shall be deemed the holder of the share discharged from all calls or other money, interests and expenses due prior to such purchase or allotment, and he shall not be bound to see to the application of the purchase money or consideration nor shall his title to the share be affected by any irregularity in the forfeiture, surrender or sale, and the remedy of any person aggrieved by the sale shall be in damages, only and against the Company exclusively.

## CALLS ON SHARES

### 34. Calls when payable

The Directors may from time to time subject to the provisions of the Constitution, make such calls upon the Members in respect of the amounts of money unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) as the Directors may think fit, and not by the conditions of allotment thereof made payable at fixed date. A sum which, by the terms of issue of a share, becomes payable on allotment or at any fixed date shall be deemed to be a call duly made and payable on the date on which by the terms of issue the shares becomes payable and in the case of non-payment, all the relevant provisions of this Act as to payment of interest and expenses, forfeiture or otherwise shall apply as if the sum had become payable by virtue of a call duly made and notified. No call shall exceed one-fourth ( $\frac{1}{4}$ ) of the issued price of the share or be payable at less than thirty (30) days from the date fixed for the payment of the last preceding call; and each member shall, subject to receiving at least fourteen (14) days' notice specifying the date, time and place of payment, pay to the company the amount called on his/her shares.

A call shall be deemed to have been made upon the passing of the resolution of the Directors authorising such call.

### 35. Instalments similar to call

If by the terms of the issue of any shares the amount of which becomes payable on allotment or at any fixed time or by instalments at any fixed date, such amount or instalment shall be payable on the date on which by the terms of issue of the same becomes payable as if a call was duly made by the Directors and of which due notice had been given; and all provisions hereof with respect to the payment of calls and interests thereon or to the forfeiture of shares for non-payment of calls shall apply.

### 36. Evidence in action for call

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

### 37. Director may revoke a call or postpone payment of calls

Any call may be made payable either in one sum or by installments and each Member upon whom a call is made is liable to pay the amount of the call to the person whose shares have been sold or his executors,

administrators or assignees or as he directs and at the time or times and place appointed by the Directors. A call may be revoked or the time for its payment may be postponed by the Directors.

38. Differentiation in time and payment of calls

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

39. Non-payment of calls

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

40. Interest on call

If any sum in respect of a call is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment, at such rate, not exceeding ten percent (10%) per annum or at such rate as the Directors shall determine, but the Directors may waive payment of such interest wholly or in part.

41. Rights as a shareholder until calls are fully paid

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

42. Advance of calls

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

## **FORFEITURE AND SURRENDER OF SHARES**

43. Notice to pay calls

If any Member fails to pay the whole or any part of any call or instalment of a call on or by the day appointed for the payment thereof, the Director may at any time thereafter, during such time as the call or instalment or any part thereof remains unpaid, serve a notice on the Member or on the person entitled to the share by transmission requiring him to pay such call or instalment, or such part thereof as shall then be unpaid together with interest thereon not exceeding ten percent (10%) per annum or at such other rate as the Directors shall determine which may have accrued and any expenses that may have been incurred by reason of such non-payment.

44. Length of Notice

The notice shall name a further day (not being less than fourteen (14) days from the date of service of the notice) on which such call or instalment or such part as aforesaid and all interest which have accrued and expenses that have been incurred by reason of such non-payment is to be paid. It shall also name the place

where the payment is to be made and shall state that in the event of non-payment by the time and at the place appointed, the share in respect of which such call was made will be liable to be forfeited.

45. Failure to comply with notice

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

46. Forfeited shares become property of Company

A share so forfeited or surrendered shall become the property of the Company and may be resold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto, or to any other person upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit.

If any share is forfeited and sold, any residue after the satisfaction of the unpaid calls and accrued interest and expense, shall be paid to the person whose shares have been forfeited, or his executors, administrators or assignees or as he directs.

47. Liability to Company of person whose shares are forfeited

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

48. Consequence of forfeiture

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

49. Statutory Declaration of forfeited share

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

50. Title of purchaser of forfeited share

The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and the Directors may authorise any person to execute a transfer of the share in favour of the person to whom the share is sold or otherwise disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or other disposal of the share.

51. Application of forfeiture provisions

The provisions of the Constitution as to forfeiture shall apply in the case of non-payment of any sum which,

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by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the shares or by way of a premium, as if the same had been payable by virtue of a call duly made and notified.

52. Notice of forfeiture

When any share has been forfeited in accordance with the Constitution, notice of the forfeiture shall forthwith be given to the holder of the share or to the person entitled to the share by reason of his death or bankruptcy as the case may be within fourteen (14) days of the forfeiture, and an entry of such notice having been given, and of the forfeiture with the date thereof shall forthwith be made in the Register opposite to the share but no forfeiture shall in any manner be invalidated by any omission or negligence to give notice or to make such entry as aforesaid.

53. Annulment of forfeiture

Notwithstanding any such forfeiture as aforesaid the Directors may at any time before the forfeited share has been otherwise disposed of, annul the forfeiture upon the payment of all calls and interest accrued thereon and expenses incurred in respect of the share and upon such further terms (if any) as the Directors shall see fit to impose.

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

54. Conversion of shares into stock and re-conversion

The Company may by ordinary resolution at a general meeting, convert all or any of its paid up shares into stock, and may reconvert any such stock into paid up shares of any denomination.

55. Stock may be transferred

The holders of stock may transfer their respective interests therein, or any part of such interest, in such manner as the Company in general meeting shall direct, but in default of any such direction in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might prior to conversion have been transferred, or as near thereto as circumstances will admit provided however that the Directors may from time to time, if they think fit, fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, provided the minimum amount of stock transferable at a sum shall not exceed the nominal amount of the shares from which the stock arose, and direct that fractions of such minimum amount shall not be dealt with, with power, nevertheless, at their discretion to waive such stipulations in any particular case.

56. Participation in dividends and profits

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

57. Provisions applicable to shares shall apply to stocks

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

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

## 58. Exercise of reasonable diligence by the Company

- (1) Where by the exercise of reasonable diligence the Company is unable to discover the whereabouts of a Member for a period of not less than ten (10) years, the Company may cause an advertisement to be published in a newspaper circulating in the place shown in the Register as the address of the Member stating that the Company after expiration of thirty (30) days from the date of the advertisement intends to transfer the shares to the Minister charged with responsibility for finance.
- (2) If after the expiration of thirty (30) days from the date of the advertisement the whereabouts of the Member remains unknown, the Company may transfer the shares held by the Member in the Company to the Minister charged with responsibility for finance and for the purpose may execute for and on behalf of the owner a transfer of those shares to the Minister charged with responsibility for finance.

**TRANSFER OF SECURITIES**

## 59. Transfer of securities

The transfer of any listed security or class of listed security of the Company, shall be by way of book entry by the Depository in accordance with the Rules of the Depository and, notwithstanding Sections 105, 106 and 110 of the Act, but subject to 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 the listed securities of class of securities which have been deposited.

## 60. Forms of transfer

Subject to the Constitution, the Act, the Depository Act and the Rules of Depository (with respect to transfer of deposited security), the instrument of transfer shall be executed by or on behalf of the transferor and the transferee and the transferor shall be deemed to remain the holder of the share until the transferee's name is entered in the Register as the holder of that share and/or the Record of Depositors as the case may be, in respect thereof. All transfer of deposited securities shall be effected in accordance with the Act, the Depository Act and the Rules of the Depository.

## 61. Restriction on transfers

Subject to the Depository Act and Rules of Depository, there shall be no restriction on the transfer of fully paid securities except where required by law.

## 62. Register of Transfers

The Company shall maintain a book called "Register of Transfers" which shall be kept by the Secretary or such other person authorised by the Directors. Particulars of the transfer or transmission of every share shall be entered into the Register of Transfers.

## 63. Branch Register

- (1) The Company may establish and cause to be kept in any other place outside Malaysia a branch register of its Members in accordance with the provisions of Section 53 of the Act.
- (2) Subject to the provisions of the Act and of the Constitution, any such register (hereinafter referred to as a branch register) shall be established and kept in such a manner as the Directors may from time to time prescribe.
- (3) For the purpose of any such branch register the Directors may empower any officer of the Company or other person or persons or committee (hereinafter referred to as the Local Authority) to keep the registers in such manner and subject to such regulations as the Directors may from time to time prescribe or allow, and may delegate to any such Local Authority the duty of examining and passing or refusing transfers and transmission and giving certificates of shares (where applicable).

- (4) The Local Authority shall from time to time transmit to the Office copies of every entry on any branch register as required by Section 53 of the Act.

64. Refusal of transfer

- (1) The Depository may, in its absolute discretion, refuse to register any transfer that does not comply with the Depository Act and the Rules of the Depository.
- (2) Subject to the Constitution, the Act, the Depository Act and the Rules of the Depository (with respect to transfer of deposited security) the Directors may in their absolute discretion and without assigning any reason thereof, decline to register any transfer of shares which are not deposited with the Depository. The registration of any transfer shall be suspended when the register of transfers is closed under Clause 65.

The Directors may also decline to register any transfer of shares if :-

- (a) The transfer is in respect of a partly paid share in respect of which a call has been made and is unpaid;
- (b) The Company has a lien on the shares; or
- (c) The registration of the transfer would result in a contravention or failure to observe the provisions of any law in Malaysia.

In accordance with the provisions of any written law, the Directors may refuse to register the transfer of any shares in their opinion such transfer when registered will result in Foreigners having an interest in the aggregate more than the limit allowed under the Act, the Depository Act and the Rules of the Depository.

If the Directors refuse to register a transfer under sub-Clause (2) above or in pursuance of the Company's rights under the Act, they shall, within ten (10) market days after the date on which the transfer was lodged for registration, send to the transferor or the lodging broker (if any) and the transferee written notice of the refusal and the precise reasons thereof.

Except in the case of fraud, any instrument of transfer which the Directors have declined to register shall be returned to the transferor or lodging broker (if any).

- (3) No share shall be transferred to any partnership or unincorporated association or body, minor, bankrupt or person of unsound mind.
- (4) Subject to the provision of the Act, the Depository Act and the Rules of Depository, all dealings in respect of deposited securities shall only be effected by the beneficial owners of such deposited securities or an authorised nominee, as the case may be.
- (5) A Depositor shall not withdraw the securities which have been deposited with the Depository except in such a manner as may be specified in the Rules of the Depository.

65. Fixing Books Closing date

The Company may require the Depository to suspend the registration of transfers at such time and for such period as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year or such number of days as may be prescribed by the Exchange. At least ten (10) Market Days or such number of days as may be prescribed by the Exchange, notice of such closure shall be given to the Exchange stating the period and the purpose or purposes of such closure and the address of the share registry at which documents will be accepted for registration shall be published in a nationally circulated Bahasa Malaysia or English daily newspaper and shall also be given to the Exchange. At least three (3) Market Days prior notice shall be given to the Depository to enable the Depository to prepare the appropriate Record of Depositors, provided that where the Record of Depositors is required in respect of corporate actions, at least seven (7) Market Days prior notice shall be given to the

Depository.

66. Registration of probate, letters of administration, etc.

There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title of any shares, such fee or such amount as the Directors may from time to time require or prescribe.

67. Renunciation

Subject to the provisions of the Constitution, the Directors may recognise a renunciation of the allotment of any share by the allottee in favour of some other person.

68. Non liability for the Company's Directors and officers in respect of transfer

Neither the Company nor the Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by a Member or any persons entitled to the shares by reason of the death, bankruptcy or insanity of the Members although the same may, by reason of any fraud or other cause not known to the Company or the Directors or other officers be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee, of the particulars of the shares transferred or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators or assignees (as the case maybe) alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title hereto.

69. Notification to registered holder

The Depository may (before registering any transfer tendered for registration) give the registered holder notice in writing sent by ordinary post that such instrument of transfer has been lodged and unless such holder objects, the transfer will be registered. If such holder does not lodge an objection in writing at the Office within 7 days from the posting of such notice to him, he shall be deemed to have accepted the validity of the transfer.

## TRANSMISSION OF SHARES

70. Death of Member

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

71. Share of deceased or bankrupt Member

Any person becoming entitled to shares in consequence of the death or bankruptcy of any Member may upon such evidence of title being produced as may from time to time be required by the Directors (but subject to the provisions hereinafter contained) elect either to be registered himself as a holder in respect of such shares or to have some person nominated by him registered as transferee thereof but the Directors shall in either case have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy. Before recognising any executor or administrator, the Directors may require him to produce letters of probate or letters of administration as evidence. Provided always that where the share is a Deposited Security, a transfer or withdrawal of the share may be carried out by the person becoming so entitled, subject to the Rules.

72. Notice of election

If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects provided that where the share is a deposited security and the person becoming entitled elects to have the share transferred to him, the aforesaid notice must be served by him on the Depository. If he elects to have another person registered he shall testify his election by executing a transfer of the share in favour of that person. All the limitations, restrictions and provisions of the Constitution relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice of transfer were a transfer signed by that Member.

73. Person entitled may receive and give discharge of dividend

Where a Member dies or becomes bankrupt, his personal representatives or the assignee of his estate, as the case may be, shall upon the production of such evidence as the Directors may from time to time require be entitled to receive and may give discharge to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not before being registered as a Member in respect of the share be entitled to receive notice of or to attend or vote at any meetings of the Company, or, save as aforesaid, to exercise any of the rights and privileges of a Member, unless and until he shall have become a Member in respect of the shares.

The Directors may at any time give notice requiring any such person to either register to be the registered holder of the share or to transfer the share if the notice is not complied with within thirty (30) days whereby, the Directors may thereafter withhold payment of all dividends, rights and privileges of a Member in respect of the share until the requirements of the notice have been complied with.

74. Transmission of securities from Foreign Register

Where :-

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

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

## INFORMATION OF SHAREHOLDING

75. Company may require information on shareholding

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



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

#### **PURCHASE BY THE COMPANY OF ITS OWN SHARES**

76. Subject always to the compliance with the provisions of the Act and all other applicable laws and the requirements of the Exchange for the time being in force, the Company may, with the sanction of the shareholders in a general meeting, purchase its own shares upon and subject to such terms and conditions as the Directors may, in their discretion deem fit, provided that the aggregate number of shares to be acquired does not exceed 10% of the issued share capital of the Company, for the time being unless prior approval of the Exchange has been obtained. Where the Company has purchased its own shares in the manner as aforesaid, the Directors may, if the applicable laws for the time being in force so allow:-

- (a) cancel the shares so purchased;
- (b) retain the shares so purchased in treasury as treasury shares;
- (c) retain part of the shares so purchased as treasury shares and cancel the remainder; or
- (d) deal with the shares so purchased in a manner as may from time to time be prescribed and allowed by law.

Shares that are purchased by the Company under Subsection 127(5) of the Act, unless held in treasury, shall be deemed to be cancelled immediately on purchase. The holder of treasury shares which are held under this subsection shall not confer the right to attend or vote at meetings and any purported exercise of such rights is void; and the right to receive dividends or other distribution, whether cash or otherwise, of the Company's assets including any distribution of assets upon winding up of the Company.

Where the shares so purchased or any part thereof is retained as treasury shares, the Directors may at any time subject to the provisions of all applicable laws for the time being in force :-

- (a) distribute the treasury shares as dividends to the Members in a manner as may be allowed by law;
- (b) resell the treasury shares on the Exchange in accordance with the relevant rules of the Exchange;
- (c) transfer the shares, or any of the shares for the purposes of or under an employees' share scheme;
- (d) transfer the shares, or any of the shares as purchase consideration.
- (e) cancel the shares or any of the shares;
- (f) sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe;
- (g) deal with the treasury shares in a manner as may from time to time be prescribed and allowed by law.

The rights attached to shares held as treasury shares shall be suspended and the treasury shares shall not be

taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes.

## GENERAL MEETINGS

### 77. Annual General Meeting

The Company shall hold an Annual General Meeting in every calendar year in addition to any other meetings held in that calendar year within six (6) months of the Company's financial year end, and shall not more than fifteen (15) months after the last preceding Annual General Meeting. The Company shall not be required to hold an Annual General Meeting in the year of its incorporation or in the following year provided that the Company hold its first Annual General Meeting within eighteen (18) months of its incorporation.

### 78. Extraordinary General Meetings

All general meetings other than the Annual General Meeting shall be called Extraordinary General Meetings.

### 79. Meeting of members at two or more venues

All Members' meetings/general meetings such as Annual General Meeting and Extraordinary General Meeting may be convened at more than one venue using any technology or method that enables the Members of the Company to participate and to exercise the Members' rights to speak and vote at the Meeting.

The main venue of the Members' meeting/general meetings shall be in Malaysia and the Chairman shall be present at the main venue.

### 80. Convening of Extraordinary General Meetings

The Directors may whenever they think fit, convene an Extraordinary General Meeting, or shall convene an Extraordinary General Meeting on requisition of Members holding at the date of the deposit of the requisition at least ten per centum (10%) of the paid-up issued share capital of the Company carrying the right to vote at general meetings of the Company, excluding any paid-up issued capital held as treasury shares in accordance with Sections 310 and 311 of the Act.

In the case of an Extraordinary General Meeting called in pursuance of a requisition, no business other than that stated in the requisition as the agenda of the meeting shall be transacted.

### 81. Notice of General Meetings

Subject to the agreements for shorter notice, every notice convening general meetings specifying the place, the day and the hour of the meeting and shall be given to all Members where a special resolution is proposed or an Annual General Meeting at least twenty-one (21) days' notice in writing or at least fourteen (14) days before the meeting for other general meetings (exclusive in either case, of the day on which it is served or deemed to be served and the day for which it is given). Any notice of a meeting called shall be given in the manner hereinafter mentioned to such persons as under the provisions of the Constitution entitled to receive notice of general meeting from the Company.

At least fourteen (14) days' notice for other general meetings or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the Annual General Meeting, or save and as provided by the Act, a resolution requiring special notice has been given to the Company, of every such meeting shall be given by advertisement in at least 1 nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed, of such notices of meetings.

### 82. Issuing of documents by electronic means to members

The Company may send the notice of a general meeting, its annual report or any document required to be sent to its Members under the provision of the Act and Main Market Listing Requirements via electronic means by:-

- (a) publishing on the Company's designated website;
- (b) e-mailing to its Members

Notice of a meeting of members shall not be validly given by the Company by means of a website unless a notification to that effect is given in accordance to Section 320 of the Act. The Company shall notify the members of the Company and specify the manner in which the electronic means is to be used for the publication of the notice on the website and such notification shall be in writing and shall be given in hard copy or electronic form stating that it concerns a meeting of members, the place, date and time of the meeting and whether the meeting is an Annual General Meeting. The notice shall be made available on the website throughout the period beginning from the date of the notification until the conclusion of the meeting.

The document or notification sent by electronic means shall be to the contact details of the Members as provided to the Depository by them and the said contact details shall be deemed as the last known address provided by the Members to the Company for the purpose of communication with the Members.

If the Company publishes the document on its website, the Company must separately and immediately notify its Members on the publication of the document on the website and the designated website link/address where a copy of the document may be downloaded.

If the Company sends the document or notification through electronic mail, there must be proof of electronic mail delivery.

A hardcopy of the document would be provided to the Members as soon as reasonably practicable upon receipt of request by the Members, at no charge.

#### 83. Businesses transacted at General Meetings

Subject always to the provisions of Sections 312 and 313 of the Act, no business shall be transacted at a Extraordinary General Meeting except business of which notice has been given in the notice convening the meeting and no business shall be transacted at an Annual General Meeting, other than business of which notice has been given as aforesaid.

#### 84. Contents of notice

- (1) All general meetings shall be held at such time, day and place as the Directors shall determine. Every notice of a general meeting shall specify the meeting as such and every meeting convened for passing a special resolution shall state the intention to propose such resolution as a special resolution.
- (2) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
- (3) In the case of any general meeting at which business other than ordinary business is to be transacted, the notice shall specify the general nature of such business and shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business.
- (4) In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him, and that a proxy need not also be a Member and that where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.

#### 85. Omission not to invalidate proceedings

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

86. Meeting called by shorter notice

A meeting shall, notwithstanding that it is called by notice shorter than is required by Clause 81 be deemed to be duly called if it is so agreed : -

- (a) in the case of a meeting called as the Annual General Meeting, by all the Members entitled to attend and vote thereat; or
- (b) in the case of any other general meeting, by a majority in number of the Members having a right to attend and vote thereat, being a majority which together holds not less than ninety-five percent (95%) in the number of the shares giving a right to attend and vote.

87. Special notice

Where special notice is required of a resolution under the provisions of the Act, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty-eight (28) days before the meeting at which it is moved and the Company is not required to give notice of the proposed resolution received to the members unless the resolution can be properly moved at a meeting of members required under Section 322 of the Act.

The Company shall with the provision of the Subsection 322(3) of the Act, where practicable, give its members notice of any such resolution in the same time and in the same manner as it gives notice of the meeting or, if that is not practicable to give its members notice in accordance with the Subsection 322(3) of the Act, the Company shall give its members notice of any such resolution at least fourteen (14) days before the meeting by advertising it in one widely circulated newspaper in Malaysia in the national language and one widely circulated newspaper in Malaysia in the English language; or in any other manner as specific in the Constitution of the Company, but if after notice of the intention to move such a resolution has been given to the Company, a meeting is called on a date twenty-eight (28) days or less after the notice has been given, the notice although not given to the Company within the time required by this Clause and Subsection 322(5) of the Act shall be deemed to have been properly given.

88. Request for Record of Depositors

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

## PROCEEDINGS AT GENERAL MEETINGS

89. Business to be transacted

All business that is transacted at any Extraordinary General Meeting and an Annual General Meeting shall be deemed special, with the exception of the receipts, consideration and adoption of the profit and loss account, the balance sheet and group account (if any) of the Company and the reports of the Directors and

Auditors and other documents required to be annexed to the balance sheet, the declaration of dividends, the election of Directors and other officers in the place of those retiring and the appointment of, the fixing of remuneration of Directors fees and the re-appointment of the Auditors and the fixing of their remuneration.

90. Quorum

No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. For all purposes, three (3) Members personally present or by proxy, or, in the case of Member whom are corporations, present by their representatives appointed pursuant to the provision of the Constitution and entitled to vote shall be a quorum.

For the purpose of constituting a quorum under Section 328 of the Act, one or more representatives appointed by a corporation shall be counted as one member; or one or more proxies appointed by a person shall be counted as one member.

91. Absence of quorum meeting to be adjourned or dissolved

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

92. Chairman of General Meeting

The Chairman of the Board, if any, or in his absence the Deputy Chairman of the Board, if any, shall preside as Chairman at every general meeting, but if there is no such Chairman or Deputy Chairman, or if neither of them is present within fifteen (15) minutes after the time appointed for holding the meeting, or shall decline to take the chair or shall retire from the chair, the Directors present shall elect any one amongst themselves to act as Chairman of such meeting. If no Director is present, or each of the Directors present declines to take the chair, the Members present in person or by proxy and entitled to vote shall choose any one amongst themselves to act as Chairman at such meeting.

93. Notice of adjourned meeting

The Chairman may, with the consent of the meeting at which a quorum is present and if so directed by the meeting shall, adjourn the meeting from time to time and from place to place as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given in the same manner 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.

94. Members' Circular Resolution in Writing

A resolution in writing signed by all the Members of the Company or their agents authorised in writing shall (except where a meeting is prescribed by the Act) be as valid and effectual as if it had been passed at a meeting of the Members duly convened and held, and such resolution may consist of several documents in like form each signed by or on behalf of one or more Member. In the case of a corporate body which is a Member of the Company such resolution may be signed on its behalf by two of its Directors or by any person (whether identified by name or by reference to the holding of any particular office) duly authorised by such corporate body by resolution of its Directors or other governing body or by Power of Attorney to sign resolution on its behalf.

95. Resolution Proposed by Members

Any Member entitled to be present and vote at a meeting may submit any resolution to any general meeting provided Section 302 of the Act have been complied with. At least five (5) clear days before the day appointed for the meeting he shall have served upon the Company a notice in writing signed by him containing the proposed resolution and stating his intention to submit the same and in the case of a requisition for a meeting, at least six (6) weeks before the meeting.

96. Duty of Secretary on receipt of notice of intention

Upon receipt of any such notice as mentioned in the last preceding Clause the Secretary shall, in any case where the notice of intention is received before the notice of the meeting is issued, include it in the notice of the meeting or shall in any other case issue as quickly as possible notice of such resolution to the Members entitled to receive notice of the meeting that such resolution is be proposed pursuant to Section 303 of the Act.

97. How Resolution is decided

(1) Subject to the provisions of the Listing Requirements, at any general meeting, a resolution put to the vote of the meeting shall be determined by a show of hands of the Members present in person, unless a poll is demanded (before or upon the declaration of the result of a show of hands):-

- (a) by the Chairman of the meeting;
- (b) by at least five (5) Members present in person or by proxy;
- (c) by any Member or Members present in person or by proxy representing not less than ten per centum (10%) of the total voting rights of all the 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 conferring that right.

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

(2) Unless a poll is duly demanded in accordance with the foregoing provisions, a declaration by the Chairman that a resolution on a show of hands has been carried or carried unanimously, or by a particular majority, or lost or has not been carried by any particular majority, and an entry to that effect in the minutes of the proceedings of the Company recorded in accordance with Section 343 of the Act, shall be conclusive evidence of the fact, without proof of the number, proportion or validity of the votes, recorded in favour of or against such resolution.

98. Objection to Voting

If:-

- (a) any objection shall be raised as to the qualification of any voter; or
- (b) any votes shall have been counted which ought not to have been counted or which might have been rejected; or
- (c) any votes are not counted which ought to have been counted;

the objection or error shall not vitiate the result of the voting or decision of the meeting on any resolution unless the same is raised or it is pointed out at the same meeting or at any adjournment thereof at which the vote objected to is given or tendered or at which the error occurred. Any objection or error shall be referred to the Chairman of the meeting or any adjournment thereof and shall only vitiate the decision of the meeting on any resolution if the Chairman decides that the same is of sufficient magnitude to vitiate the resolution or may otherwise have affected the decision of the meeting. The decision of the Chairman on such matters shall be final and conclusive.

99. Poll to be taken as Chairman shall direct

If a poll is duly demanded, it shall be taken in such manner as the Chairman may direct (including the use of a ballot or voting papers or tickets) and the result of a poll shall be deemed the resolution of the meeting at which the poll was demanded. The Chairman may (and if so directed by the meeting shall) appoint scrutineers for the purposes of a poll, and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the results of the poll.

Subject to Clause 96, a poll demanded on any question shall be taken either at once or at such time and place as the Chairman directs not being more than thirty (30) days from the date of the meeting or adjourned meeting at which the poll was demanded.

100. Business to be continued if poll demanded

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

101. Demand for poll may be withdrawn

The demand for a poll may be withdrawn, in which event notice must be given immediately of a poll not taken.

## VOTE OF MEMBERS

102. Chairman to have Casting vote

In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, as the case may be, shall have a second or casting vote.

103. Votes of Members

- (1) Subject to Clause 88(3) and any rights or restrictions for the time being attached to any class or classes of shares, at meetings of Members or classes of Members, each Member shall be entitled to be present and to vote at any general meeting of the Company either personally or by proxy or by attorney and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid.
- (2) Subject to any special rights or restrictions as to voting attached to any class or classes of shares pursuant to the Constitution, on a show of hands every person present who is a Member or a Member's representative or proxy or attorney shall have one (1) vote and in the case of a poll every Member present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for every share held by him. A proxy shall be entitled to vote on a show of hands on any resolution at any general meeting subject to the provision of the Listing Requirements.
- (3) Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.

104. Corporations can appoint representative

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 either at a particular meeting of the Company, or at all meetings of the Company or any class of Members and the person so authorised shall in accordance with his authority and until his authority is revoked by the corporation be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it

were an individual Member of the Company.

105. Vote by representative of Member of unsound mind and deceased Member

- (1) Any Member being of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote by his committee, receiver curator bonis, or other legal guardian or such other person who properly has the management of his estate. Any one of such person may vote either personally or by proxy or by attorney, provided such evidence as the Directors may require of the authority of the person claiming to have the right to vote shall have been deposited at the Office not less than forty eight (48) hours before the time appointed for holding the meeting.
- (2) The legal personal representative of a deceased Member or the person entitled under the Clauses 70 and 71 to any share in consequence of the death or bankruptcy of any Member may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares, provided that forty eight (48) hours at least before the time of holding the meeting or adjourned meeting (as the case may be) at which he proposes to vote, he shall satisfy the Directors of his right to any share in consequence of the death or bankruptcy of any Member unless the Directors shall have previously admitted his right to vote in respect thereof.

106. No Member is entitled to vote while call is due to the Company

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

107. Qualification of voter

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

108. Casting of votes by Member or proxy

On a poll, votes may be given either personally or by proxy or attorney and a Member entitled to more than one (1) vote need not, if he votes, use all his votes or cast all the votes he uses on a poll in the same way.

109. Appointment of proxy

There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting shall have the same right as the Member to speak at the meeting.

A proxy may but need not be a member of the Company. If a member appoints more than one proxy in relation to a meeting, the appointments shall be invalid unless the member specifies the proportion of the member's shareholdings to be represented by each proxy.

Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") 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 authorized nominee may appoint in respect of each omnibus account it holds.

Where a member of the Company is an authorized nominee as defined under SICDA, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

If the appointer is a corporation, the proxy form must be executed under the Common Seal or under the hand of its officer or attorney duly authorised in writing.



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110. Instrument appointing proxy to be deposited

Subject to the provision of Section 334 of the Act, 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 of the Company, or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time 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.

111. Form of Proxy

The instrument appointing a proxy shall be in the following form or in such other form as the Directors may approve, the Act permits or the Exchange may approve.

WAH SEONG CORPORATION BERHAD

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

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

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

112. When vote by proxy is valid though authority revoked

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

113. Attorney of Members

- (1) If the attorney of any Member acting for and on behalf of his principal as a Members, shall desire to do or perform any act, deed or thing under these presents or otherwise at law permitted to be done or performed by an attorney of a Member as such Member, he shall leave at the Office for registration a good and valid power of attorney, duly stamped and authorising him thereto, accompanied by a copy thereof, and thereupon if the Company shall at its absolute discretion so decide, the Company shall register and return the original power of attorney and retain a copy thereof, and thereafter the Company may dispense with the production of the original power of attorney on each and every occasion when the attorney shall purport to act there under. A fee for such amount as is determined by the Directors from time to time shall be paid to the Company for registering a power of attorney, but the Directors may, by resolution, if they shall think fit, waive the payment of such fee or any part thereof.
- (2) Every act, deed or thing done or performed by an attorney under the last preceding Article, shall be valid notwithstanding the previous death of the Member, or the revocation of the power of attorney, provided no intimation in writing of such death or revocation shall have been received at the Office before the acting, done or performing of such act, deed or thing

**DIRECTORS**

## 114. Number of Directors

Until otherwise determined by the Company in general meeting, the number of Directors shall not be less than three (3) nor more than fifteen (15), all of whom shall be natural persons but in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum fixed by and pursuant to the Constitution and the Act, the remaining continuing Directors or Director may act only for the purpose of filling up such vacancy or vacancies or of summoning a general meeting of the Company.

## 115. Directors' Qualification

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

## 116. Rotation and retirement of Directors

- (1) Subject always to the Constitution and the Act, at the first Annual General Meeting of the Company, all Directors shall retire from office at the conclusion of the meeting, and at the Annual General Meeting in every subsequent year, one-third of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third, shall retire from office at the conclusion of the meeting. PROVIDED ALWAYS that all Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires whether adjourned or not. An election of Directors shall take place each year.
- (2) The Directors to retire in every year shall be those who, being subject to retirement by rotation, 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 (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

## 117. Notice of candidature as a Director

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 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, 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 7 days before the meeting at which the election is to take place.

## 118. Retiring Director deemed to be re-appointed

The Company at the meeting at which a Director retires under the provision of the Constitution may by ordinary resolution fill the vacated office by electing a person thereto. In default, the retiring Director shall, if offering himself for re-election and not being disqualified under the Act from holding office as a Director shall be deemed to have been re-elected as a Director, unless:-

- (1) At that meeting if it is expressly resolved not to fill the vacated office or a resolution for re-election of the Director retiring at that meeting is put to the meeting and lost or some other person is elected a Director in place of the retiring Director; or
- (2) Such Director has given notice in writing to the Company that he is unwilling to be re-elected as Director; or
- (3) Such Director has attained the retiring age applicable to him as a Director; or

- (4) Such Director is disqualified under the Act or some other law for the time being in force from holding office as a Director.

A retiring Director shall be deemed to have offered himself for re-election unless he has given notice in writing to the Company that he is unwilling to be re-elected.

119. Motion for appointment of Directors

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

120. Increase or reduction in number of Directors

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

121. Provisions for the appointment and removal of Alternate Directors

- (1) A Director may from time to time nominate a person, not being a Director, to act as his alternate and at his discretion to remove such alternate Director but his appointment shall not take effect until approved by a majority of the other Directors. An alternate Director so appointed shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but save as aforesaid, he shall not in respect of such appointment be entitled to receive any remuneration from the Company. Such person does not act as an alternate for more than one Director of the company.
- (2) The nomination of an alternate Director shall be valid if made by telex or facsimile transmission, provided that such nomination shall be confirmed within one (1) month from the date of such telex or facsimile transmission by a written nomination complying with the abovementioned requirements, and the said written nomination has been approved by the majority of the other Directors, and any act done by the alternate Directors nominated in such telex or facsimile transmission shall be as valid and effectual as if such alternate Director had been duly appointed in the first instance.
- (3) The alternate Director shall be entitled to notices of all meetings and to attend, speak and vote at meetings of the Directors at which his appointor is not personally present and generally in the absence of his appointor to perform all the functions of his appointor as a Director. Any appointment so made may be revoked at any time by the appointor or by a majority of the Directors. An alternate Director may be repaid by the Company such expense as might properly be repaid to him if he were a Director.

An alternate Director shall ipso facto cease to be an alternate Director if:-

- (a) His appointor for any reason ceases to be a Director; or
- (b) On the happening of any event which if he were a Director would render him legally disqualified from acting as a Director; or
- (c) If his appointor or the majority of the other Directors revokes his appointment by delivering a notice in writing to the Office.
- (4) An alternate Director shall not be taken into account in reckoning the minimum or maximum number of Directors allowed for the time being but he shall be counted for the purpose of reckoning whether a quorum is present at any meeting of the Directors attended by him at which he is entitled to vote.

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

122. Removal of Directors

Notwithstanding any provisions of the Constitution or any agreement between the Company and the Director, the Company may by ordinary resolution at a meeting remove the Director before the expiration of the director's tenure of office. A special notice is required of a resolution to remove a director under Section 206 of the Act. The Company may by ordinary resolution appoint another person in place of a Director so removed from office and any person so appointed shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy so arising may be filled by the Directors as a casual vacancy.

123. The Directors' power to fill casual vacancies or appoint additional Directors

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

124. Directors' Remuneration

The Directors shall be paid by way of remuneration for their services rendered. The fees payable to the Directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the Company in general meeting and shall (unless such resolution otherwise provided) be divisible among the Directors in such proportions as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office, provided always that:-

- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- (b) salaries payable to executive Directors may not include a commission on or percentage of turnover;
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and
- (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

125. Reimbursement of expenses

- (a) The Directors shall be entitled to be reimbursed for all travelling or such other reasonable expenses as may be properly and necessarily incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.
- (b) If by arrangement with the other Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director, in particular without limiting to the generality of the foregoing, if any Director being willing shall be called upon to perform extra services or to make

any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may pay special remuneration to the Director so doing if he holds an executive position in the Company, either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) and if he holds a non-executive position in the Company, either by a fixed or otherwise (other than by a sum to include a commission on or percentage of profits or turnover) in addition to his Director's fees as may be arranged and determined by the Company in general meeting.

#### 126. Disqualification of Directors

The office of Director shall, ipso facto, be vacated if the person:-

- (a) ceases to be a Director by virtue of the Act;
- (b) resigns his office by notices in writing under his hand sent to or left at the office (not being the Chief Executive Officer or the Managing Director holding office as such for a fixed term);
- (c) is removed from his office of Director by resolution of the Company in general meeting of which special notice has been given;
- (d) is removed from office in accordance with the Act or the Constitution
- (e) retired in accordance with the Act or Constitution but is not re-elected
- (f) becomes unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001
- (g) is an undischarged bankrupt;
- (h) has been convicted of an offence involving bribery, fraud or dishonesty;
- (i) has been convicted of an offence under Sections 213, 217, 218, 228 and 539 of the Act; or
- (j) has been disqualified by the Court under Section 199 of the Act
- (k) dies
- (l) vacate office in accordance with the Constitution

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

#### 127. General power of Directors to manage the Company's business

The business of the Company shall be managed by the Directors who may exercise all such powers of the Company, and do on behalf of the Company all such acts as are within the scope of the Constitution of the Company and as are not by the Act or by the Constitution required to be exercised or done by the Company in general meeting, subject, nevertheless, to the Constitution, to the provisions of the Act, and to such regulations, being not inconsistent with the Constitution or the provisions of the Act, as may be prescribed by the Company in general meeting, but no regulations so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by the Constitution shall not be limited or restricted by any special authority or power given to the Directors by any other Clauses. Provided that any sale or disposal of a substantial portion of the Company's main undertaking or property shall be subject to ratification by the Members in general meeting.

#### 128. Managing Director

A Managing Director shall be subject to the control of the Board of Directors.

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

- (a) carry into effect any proposal or execute any transaction for the acquisition of any undertaking or property of a substantial value, or the disposal of a substantial portion of the main undertaking or property of the Company;
- (b) exercise any power of the Company to issue shares unless otherwise permitted under the Act;
- (c) subject to Section 228 of the Act, enter into any arrangement or transaction with a Director or his holding company or with a person connected with such a Director to acquire from or dispose of to such a Director or person any non-cash assets of the requisite value.

130. Borrowing Powers of Directors

- (1) The Directors may exercise all the powers of the Company at their discretion to raise or borrow money for the purpose of the Company or raise or secure the payment of such money in such manner and upon such terms and conditions in all respect as they think fit, and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures or debenture stocks and other securities whether outright or as security for any debt, liability or obligation of the Company or its related companies, or by means of bonds and dispositions in security or bonds or cash deposit, with or without power of sale and upon such terms and conditions as the Directors shall think fit PROVIDED ALWAYS that nothing contained in the Constitution shall authorise the Directors to borrow any money or mortgage or charge any of the Company's undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party AND FURTHER PROVIDED ALWAYS that the Directors shall not except with the sanction of a general meeting, borrow any sum or sums of money if the borrowing thereof would cause or have the effect that the aggregate amount of the borrowings thereof exceeds or would exceed two and the half (2 ½) times the shareholders' funds as disclosed in the latest audited consolidated balance sheet or two and the half (2 ½) times of the paid-up capital, whichever shall be the higher but nothing herein contained shall require a bona fide lender of money to the Company to ascertain if this limit has been or is about to be exceeded.

The terms "borrowing" or "borrowings" means:

- (i) moneys borrowed by the Company on bank overdraft or otherwise;
- (ii) moneys howsoever advanced to the Company on any account whatsoever whether secured or unsecured but excluding deposits made by tenants (if any) or any other deposits of a similar nature and for the time being outstanding;
- (iii) rental payments in respect of any lease whether in respect of land, machinery, equipment entered into primarily as a method of financing the acquisition of the asset leased or raising finance;

and for the time being outstanding but shall exclude moneys received, if any, by the Company by way of subscription of any irredeemable convertible loan stock or other irredeemable convertible instruments and "borrow" has a corresponding meaning.

The term "latest audited consolidated balance sheet" means the latest published audited consolidated balance sheet previous to the time when an examination is being made to determine whether the aggregate amount of the borrowings of the Company are within the limits imposed by this Clause or a special audited consolidated balance sheet prepared since the date of the latest published audited consolidated balance sheet and certified by two of the Directors and the auditors for the time being of the Company.

- (2) The Directors shall cause a proper register to be kept in accordance with Section 47 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 352 of the Act with regard to the registration of mortgages and charges therein specified and otherwise.

- (3) Debentures, debenture stocks or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- (4) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

131. Power to maintain pension fund

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

132. Power to appoint Power of Attorney

The Directors may from time to time, and at any time, by power of attorney under the Seal of the Company appoint any corporation, firm or person or body of persons, whether nominated directly or indirectly by the Directors to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (including power to sub-delegate all or any of the power, authorities and discretions vested thereto but not exceeding those vested in or exercisable by the Directors under the Constitution) and for such period and subject to such conditions as the Directors may from time to time think fit, and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with any such attorney as the Directors think fit.

133. Signatures of cheques and bills

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

134. Director may hold office under the Company and restriction to vote

Subject always to Sections 221 and 228 of the Act, a Director may hold any other office or place of profit under the Company (other than the office of auditors) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company with regard to his tenure of any such office or place of profit or as vendor, purchaser or in any other respect nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established provided always that the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract or arrangement is determined (if the interest then exist) or in any other case at the first meeting of the Directors after the acquisition of the interest.

A Director shall not vote in respect of any other contract or proposed contract or arrangement in which he is directly or indirectly interested nor any contract or proposed contract or arrangement with any other company in which he is interested either as an officer of that other company or as a holder of shares or other securities in that other company, nor shall he be counted, for the purposes of any resolution regarding the same, in the quorum present at the meeting. These shall not apply to:-

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

135. Director appointed to hold other office to be counted in the quorum

A Director notwithstanding his interest may be counted in the quorum present at any meeting whereat he or any other Director to be appointed to hold any office or place of profit in the Company or whereat the Directors resolve to exercise any of the rights of the Company, (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit in any other company or whereat the terms or any such appointment or arrangements as hereinbefore mentioned are considered, as he may vote on any such matter other than in respect of the appointment of or arrangements with himself or the fixing of the terms thereof.

136. Director may act by himself or his firm in a professional capacity

Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as auditor of the Company.

137. Information acquire by a Director by virtue of his position

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

138. Declaration of interest

A Director who is in any way, whether directly or indirectly interested in a contract or proposed contract with the Company shall declare the nature of his interest in accordance with the provisions of the Act. Every Director shall give notice to the Company of such events and matters relating to himself as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Act.

139. General notice of interest in a corporation by the Company

A general notice given by a Director or alternate Director to the Board that he is a shareholder/Director of any specified firm or corporation or is interested in any of the contracts proposed to be entered into in relation to the operations or affairs of the Company is regarded to be interested in all transactions with such firm or corporation and that the general notice shall be sufficient disclosure under this clause and such Director is not required to give any special notice relating to any particular transaction with such firm or corporation.

140. Directors' interest in corporation promoted by the Company

A Director may be or become a Director or other officer of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise or any corporation, which is, directly or indirectly, interested in the Company as shareholder or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a Director or officer of, or from his interest in, such corporation unless the Company otherwise directs at



the time of his appointment. The Director may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by them as Directors of such other corporation in such manner and in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the Directors or other officers of such corporation), and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or is about to be appointed a Director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in the manner aforesaid, provided always that he has complied with Section 221 and all other relevant provisions of the Act and of the Constitution.

## **MINUTES AND REGISTERS**

### 141. Minutes

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

- (a) of all appointments of officers made by the Directors;
- (b) of the names of all the Directors present at each meeting of the Directors and of any Committee of Directors and of the Company in general meeting;
- (c) of all resolutions and proceedings of general meetings and of meetings of the Directors and Committees of Directors; and
- (d) of all orders made by the Directors and any Committee of Directors.

Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated pursuant to Section 343 (3) of the Act.

### 142. Keeping of registers

The Company shall in accordance with the provisions of Section 47 of the Act keep at the Office a register containing such particulars with respect to the Directors and substantial shareholders, Managers and Secretaries of the Company and also the Register of Mortgages and Charges as are required from time to time to notify the Registrar of Companies of any change in such Registers and of the date of such change in manner prescribed by that section.

### 143. Inspection of documents and records

Any document and record that is to be made available for inspection under Sections 47 and 48 of the Act, shall be made available for inspection by any person who is entitled to inspect such document and record at the Office or any other place allowed by the Act.

### 143. Inspection by Members of the Registers of the Company

The Company shall also keep at the Office, a register which shall be open to the inspection of any member without charge and to any other person on payment of such prescribed fee as may be determined by the Company, all such matters required to be so registered under the Act, and in particular :-

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

## **PROCEEDINGS OF DIRECTORS**

## 144. Meetings of Directors

- (a) The Directors may meet together for the despatch of business at such time and place, adjourn and otherwise regulate their meetings and proceedings as they think fit. The Directors may hold meeting of Directors or a committee of Directors (as the case may be) at two (2) or more venues within or outside Malaysia using any technology that enable the Directors as a whole to participate for the entire duration of the meeting; all that information and documents for the meeting must be available to all Directors prior to or at the meeting.
- (b) Notice of any meeting of the Directors may be given by telephone or facsimile and the contemporaneous linking together by telephone, closed circuit television or such other form of electronic telecommunication media or audio-visual communication or wireless application protocol (WAP) of a number of the Directors being not less than the quorum shall be deemed to constitute a meeting of the Directors wherever in the world they are on the day on which and at the time at which (using Malaysia time) the conference is held, as long as:-
  - (i) The quorum of Directors is met;
  - (ii) At the commencement of the meeting each Director acknowledges the presence thereof to all the other Directors taking part and such participation shall be deemed to be presence in person;
  - (iii) Each of the Directors taking part is able to be heard and hear each of them subject as hereinafter mentioned throughout the meeting;
  - (iv) None of the Directors present at the commencement of the meeting leaves the meeting by disconnecting the electronic communication media, but the meeting shall be deemed to have been conducted validly notwithstanding that the electronic communication media or wireless application protocol (WAP) used by any one or more of the Directors is accidentally disconnected during the meeting provided that a quorum of Directors continues to be present and acts throughout during the period of disconnection. If at any time, a quorum of Directors is no longer present, the Chairman of the meeting shall declare that the meeting is adjourned but only after having given ample time for the relevant Director(s) to re-join the meeting;
  - (v) All information and documents are made equally available to all participants prior to or at/during the meeting; and
  - (vi) The minutes of the proceedings shall be sufficient evidence thereof and of observance of all necessary formalities if certified by both the Chairman and the Secretary of the Company.

## 145. Calling of meetings

A Director may at any time summon a meeting of the Directors, and the Secretary, upon the request or requisition by the Chairman or any one Director, shall convene a meeting of the Directors.

## 146. Notice of meetings

Other than as specified under Clause 144(b) and unless dispensed otherwise by all the Directors or otherwise determined by the Directors from time to time, a seven (7) clear days' notice of all Directors' meeting specifying the place, date and hour of the meeting shall be given to all Directors and their Alternate Directors, who have a registered address in Malaysia, except in the case of emergency, reasonable notice shall be deemed sufficient, provided always it shall not be necessary to give any Director or Alternate Director, who has not got an address in Malaysia, registered with the Company, notice of a meeting of the Directors. The notice of each Directors' meeting shall be deemed to be served in the case of a Director having an address in Peninsular Malaysia, two (2) days following that on which a properly stamped letter containing the notice is posted in Peninsular Malaysia and in the case of a Director having an address in East Malaysia, seven (7) days following that on which a properly stamped letter containing the notice is

posted within Peninsular Malaysia.

147. Quorum

The quorum necessary for the transaction of the business of Directors shall be three (3) Directors for the time being of the Company.

148. Chairman has casting vote

A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions by or under the Constitution vested in or exercisable by the Directors generally. Subject to the Constitution, questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of an equality of votes the Chairman shall have a second or casting vote except where only two Directors form a quorum and where only two Directors are competent to vote on the question at issue.

149. Power of continuing Director

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

150. Election and removal of Chairman and Deputy Chairman

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

151. Vote of a Director and alternate Director

A Director who is also an alternate Director shall be entitled, in addition to his own vote, to a separate vote on behalf of the Director whom he is representing.

152. Compliance with Sections 219 and 221 of the Act

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

## COMMITTEES OF DIRECTORS

153. Power to establish committees, local boards, agencies etc.

The Directors may establish any committees, local boards or agencies comprising of two (2) or more persons for managing any of the affairs of the Company, either in Malaysia or elsewhere, and may lay down, vary or annul such rules and regulations as they may think fit for the conduct of the business thereof, and may appoint any persons to be members of any such committee or local board, or any managers or agents, and may fix their remuneration, and may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions vested in the Directors hereunder, with power to sub-delegate, and may authorise the members of any such committee or local board, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation that may

be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no persons dealing in good faith without notice of any such annulment or variation shall be affected thereby.

154. Power to appoint committee

The Directors may delegate any of their powers to a committee consisting of members of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the Directors.

155. Quorum of meetings

The meetings and proceedings of any such Committee consisting of two (2) or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Clause.

156. Proceedings at committee meetings

Subject to any rules and regulations made pursuant to Clause 153, a committee may meet and adjourn as it thinks proper and questions arising at any meeting shall be determined by a majority of votes of the members present and in the case of equality of votes the Chairman shall have a second or casting vote.

157. Chairman of committee meetings

A committee, local board or agency may elect a Chairman of its meetings; if no such Chairman is elected, or if at any meeting, the Chairman is not present within fifteen (15) minutes after the time appointed for holding of the meeting, the members present may choose one (1) of their members to be the Chairman at the meeting.

158. Situation where there is no casting vote

Where two (2) Directors form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue, shall not have a casting vote.

## VALIDATION OF ACTS OF DIRECTORS

159. Validity of acts of Directors

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

## CIRCULAR RESOLUTIONS

160. Directors' Circular Resolutions

A resolution in writing signed or approved by letter, telegram, telex, telefax, facsimile or e-mail by the majority of the Directors who are present in Malaysia, and who are sufficient to form a quorum shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted, provided that where a Director is not present but has an alternate who is so present, then such resolution shall also be signed by such alternate, and provided always that the aforementioned resolution has been

given to all the Directors and none of the Directors have within a reasonable time communicated to the Company, his preference that a meeting be convened. All such resolutions shall be described as "Directors' Circular Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by her in the Company's Minute Book following the receipt thereof and shall therefore be compiled for submission for confirmation at the next meeting of the Board of Directors. Any such resolution may consist of several documents in like form, each signed by one or more Directors or their alternates.

### **CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR**

161. (1) The Directors may from time to time appoint any one or more of their body to be :-
- (a) Chief Executive Officer; and/or;
  - (b) Managing Director.
- (2) Any such appointment shall be for such period not exceeding five (5) years subject to reappointment and on such terms as they think fit, and may vest in such Chief Executive Officer and/or Managing Director as may be appointed by them such of the powers hereby vested in the Directors generally as they may think fit and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions, and generally upon such terms as to remuneration and otherwise as they may determine; and may, from time to time revoke, withdrawn, alter, or vary all or any of such powers but subject thereto, such Chief Executive Officer or Managing Director shall be subject to the control of the Board.
162. Remuneration of Chief Executive Officer and/or Managing Director
- The remuneration of the Chief Executive Officer and/or the Managing Director shall, subject to the terms of any agreement entered into in any particular case, may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement.
163. Position of Chief Executive Officer and/or Managing Director
- The Chief Executive Officer and/or the Managing Director shall, while they continue to hold such offices, be subject to retirement by rotation, and they shall be reckoned as Directors for the purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire, and they shall, subject to provisions of any contract between them and the Company, be subject to the same provisions as to resignation and removal as to other Directors of the Company and if they cease to hold the office of Director from any cause, they shall ipso facto and immediately cease to be Chief Executive Officer or Managing Director, as the case may be.

### **ASSOCIATE DIRECTORS**

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

### **THE SECRETARY**

## 165. Appointment of Secretary

The Secretary or Secretaries of the Company shall, in accordance with the Section 236 of the Act, be appointed by the Board for such term, at such remuneration, and upon such conditions as the Board think fit and any Secretary or Secretaries so appointed may be removed by them but without prejudice to any claim he or they may have for damages for breach of any contract of service with the Company. The Board may from time to time by resolution appoint a temporary substitute for the Secretary who shall be deemed to be the Secretary during the term of her appointment. An assistant or deputy Secretary or Secretaries may be appointed by the Directors by resolution.

**SEAL**

## 166. Affixation of common seal

The Directors shall provide for the safe custody of the Seal which shall only be used pursuant to a resolution of the Directors, or a committee of the Directors authorising the use of the Seal. The Directors may from time to time make such regulations as they think fit determining the persons and the number of such persons in whose presence the Seal shall be affixed and, until otherwise so determined, every instrument to which the Seal shall be affixed shall be signed by a Director and countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose and the Director may by resolution determine either generally or in any particular case that the signatures of any Director, the Secretary or such other person appointed as aforesaid may be affixed or reproduced by facsimile, autographic or other mechanical means provided that the use of such method or system of reproducing signatures is restricted to a certificate, instrument of transfer or other document of title in respect of any share, stock, debenture or marketable security created or issued by the Company required to be given under the Seal has been approved by the Board and PROVIDED ALWAYS that no person dealing with the Company shall be concerned to see or enquire as to whether any such approvals have been complied with.

## 167. Share Seal

The Company may also have a Share Seal pursuant to Section 63 of the Act. The Share Seal shall be an exact copy of the Common Seal of the Company with the addition on its face of the word "Securities" which is specifically affixed onto certificates that may be issued by the Company for any share, stock, loan stock, debenture as defined in the Act, or other marketable security created or issued by the Company.

**SEAL FOR USE ABROAD AND BRANCH REGISTER**

## 168. Seal for use abroad and keeping of branch Register

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

**RESERVES**

## 169. Power to carry profit to reserve

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

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

## DIVIDENDS

### 170. Declaration of dividends

Subject to the provision of Sections 131 and 132 of the Act, the Company in general meeting may declare dividend, but no dividend shall be payable except out of the profits of the Company, provided that the Directors may, if they think fit may from time to time pay to the Members such interim dividends as appear to them to be justified by the profits of the Company. No dividend shall be paid in excess of the amount recommended by the Directors, nor shall it bear any interest against the Company and the declaration of the Directors as to the amount of the dividend shall be conclusive.

### 171. Apportionment of dividends

The profits of the Company, which are available for dividend and determined to be distributed, shall be applied in the payment of dividends to the Members in accordance with their respective rights and priorities.

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

### 172. Payment of interim dividends in respect of shares of different classes

The Directors may, subject to Section 132 of the Act if they think fit, from time to time pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the Company. If at any time the share capital of the Company is divided into different classes, the Directors may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Directors act bona fide and that they shall not incur any liability in relation to the holder of shares conferring any preferential rights for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights. The Directors may also pay half-yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment.

### 173. Deduction or retaining of dividend

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

declaration of the dividend in question.

174. Members only are entitled to dividends

Every dividend shall belong and be paid (subject to the Company's lien) to those Members whose names shall appear on the Register at the date fixed for payment of such dividend, notwithstanding any subsequent transfer or transmission of share.

175. Unclaimed dividends

All dividends unclaimed for one (1) year after having been declared may be disposed of in accordance with the provisions of the Unclaimed Moneys Act, 1965. The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company.

176. Right to dividend in respect of a transferred share

A transfer of shares shall not pass the right to any dividend declared on such shares before the registration of the transfer.

177. Payment of dividends

Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the last known registered address of the Member or to such person entitled thereto or by direct transfer or such other mode of electronic means of payment (subject to the provision of the Act, Depository Act, the Rules and the Listing Requirements and/or any other regulatory or authorities) to the bank account of the holders whose name appear in the Register or Record of Depositors respectively. Every such cheque or warrant or payment by direct transfer shall be made payable to the order of the person to whom it is sent or to such person as the holder or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant or by such electronic means shall be as good discharge to the Company. The payment of any dividend by such electronic means shall constitute a good and full discharge to the Company of the dividend to which it relates regardless of any discrepancy given by the Member in the details of the bank account(s). Every such cheque or warrant sent through the post or by direct transfer via electronic means shall be at the risk of the Member or the person entitled to the money represented thereby.

178. Payment of dividends in specie

The Company in general meeting may declare the dividend to be paid to the Members but no larger dividend shall be declared than is recommended by the Directors provided that such recommendation is in accordance with the provisions of the Act for the time being in force and may direct payment of such dividend wholly or in part by the distribution of specific assets and in particular of paid-up shares, treasury shares, debentures, debenture stock of the Company, or in any one or more of such ways, and the Directors shall give effect to such resolution and where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and in particular may credit the Securities Accounts of the allottees with such shares, and may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments shall be made to any Members on the basis of the value so fixed, in order to adjust the rights of all parties, and may vest any such specific assets in Trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the Directors.

179. No interest on unpaid dividend

No unpaid or unclaimed dividend or interest shall bear interest as against the Company.

## CAPITALISATION OF PROFITS

180. Power to capitalize profits



The Company in general meeting may at any time and from time to time pass a resolution that any sum not required for the payment or provision of any fixed preferential dividend, and (i) being any part of the undivided profits in the hands of the Company or (ii) for the time being standing to the credit of any reserve fund or reserve account of the Company, including premiums received on the issue of any shares or debentures of the Company, and/or accretion to capital accruing on sale or shown by a valuation or revaluation of any property or assets of the Company, be capitalized, and that such sum be appropriated as capital to and amongst the ordinary shareholders in the proportions in which they would have been entitled thereto if the same had been distributed by way of dividend on the ordinary shares and in such manner as the resolution may direct.

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

## ACCOUNTS

### 181. Accounts to be kept

The Directors shall cause proper accounting and other records to be kept and shall distribute copies of balance sheets and other documents as required by the Act and shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting and other records of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or paper of the Company except as conferred by statute or authorised by the Directors or by the Company in general meeting. Subject always to Section 245(5) of the Act, the books of account or records of operations shall be kept at the Office or at such other place as the Directors think fit and shall always be open to inspection by the Directors.

### 182. Presentation of accounts/financial statements

The Directors shall from time to time in accordance with the provisions of the Act and the Listing Requirements cause to be prepared and to be laid before the Company in general meeting such annual audited profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary provided always that the interval between the close of the financial year of the Company and the issue of the annual audited accounts/financial statements relating thereto shall not exceed four (4) months.

### 183. Copies of accounts

A copy of every balance sheet and profit and loss account which is to be laid before the Company in general meeting (including every document required by law to be annexed thereto) together with a copy of the Auditors' report relating thereto and of the Directors' report, either in printed form or in compact disc read-only memory ("CD-ROM") form or in such other form of electronic media, shall not less than twenty-one (21) days (or such other period as may be prescribed by the Exchange) before the date of the meeting, be sent to every Member of, and every holder of debentures (if any) of, the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or of the Constitution. The requisite number of copies of each such document as may be required by the Exchange shall at the same time be likewise sent to the Exchange. Provided that this Clause shall not require a copy of these documents to be sent to any person of whose name or address the Company is not aware of but any

Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application to the Office. In the event that these documents are sent in CD-ROM form or in such other form of electronic media and a Member requires a printed form of such documents, the Company shall send such documents to the Member within four (4) Market Days (or such other period as may be prescribed by the Exchange) from the date of receipt of the Member's request.

## **AUDITORS AND SHARE REGISTRAR**

### 184. Auditors

Auditors shall be appointed in accordance with Sections 263, 264 and 271 of the Act and their duties regulated in accordance with Sections 266 of the Act.

### 185. Auditors in attendance at general meetings

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

### 186. Validity of acts of auditors despite of some formal defects

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

### 187. Share Registrar

Share Registrar shall be appointed to safeguard and maintain proper share registers and records of the Company and to provide all share registration services professionally in respect of the Company's securities in the best interest of the Company and in the integrity of the market.

The Share Registrar will comply with all applicable laws and regulations in relation to the business and services it offers, including maintaining confidentiality of information pertaining to the Company and its shareholders.

The Share Registrar will include a unit performing the function of a share registrar within the Company.

## **LANGUAGE**

### 188. Translation

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

## **DESTRUCTION OF DOCUMENTS**

### 189. Disposal of old records

The Registrar may, if in his opinion it is no longer necessary or desirable to retain the old records, destroy or give to the National Archives:-

(1) In the case of a corporation:-

- (a) any return of allotment of shares for cash which has been lodged or filed for not less than seven (7) years;
- (b) any annual return or financial statement that has been lodged or filed for not less than seven years or any document creating or evidencing a charge or the complete or partial satisfaction of a charge where a memorandum of satisfaction of a charge has been registered for not less than seven (7) years; or
- (c) any other document, other than the Constitution or any other document affecting the corporation, which has been lodged, filed or registered for not less than seven (7) years;

(2) In the case of a corporation that has been dissolved or has ceased to be registered for not less than seven (7) years, any document lodged, filed or registered; or

(3) any document which has been incorporated in a register kept by the Registrar in whatever form.

The Securities Industry (Central Depositories) Act, 1991 requires the central depository and its authorised depositor's agents to preserve all records and communication in relation to a depositor's account and such other records and accounts as will sufficiently explain the transactions and operations of the central depository and authorised depository agents in relation to deposited securities, for a period of seven years, whether or not they cease to carry on their business before the end of their seventh year.

190. The provisions of Clause 189 above shall be subject to the following:-

- (a) any document may only be destroyed in good faith and without express notice to the Company that the preservation of such document was relevant to any claim;
- (b) nothing in such provisions shall be construed to impose on the Company any liability in respect of the destruction of any such document earlier than provided for in Clause 189 or in any case where the conditions in such clause have not been fulfilled;
- (c) references to the destruction of any document include references to its disposal in any manner;
- (d) references to documents include (without limitation) any records or copies of documents stored on microfilm, microfiche, any electronic database or any other system of data recording the storage.
- (e) any documents referred to in Clause 189(1), (2) and (3) destroyed at a date earlier than that authorized by this Clause provided that a permanent copy of such document shall have been made which shall not be destroyed before the expiration of the period applicable to the destruction of the original of such document and in respect of which the Directors shall take adequate precautions for guarding against falsification and for facilitating its re-production.

## AUTHENTICATION OF DOCUMENTS

191. Power to authenticate documents

Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the Constitution of the Company and any resolution passed by the Company or the Directors and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and, where any books, records, documents or accounts are kept elsewhere than in the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.

192. Certified copy of resolutions of Directors

A document purporting to be a copy of a resolution of the Directors or an extract from the minutes of the meeting of Directors which is certified as such in accordance with the provisions of the last preceding Clause shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.

## NOTICES

### 193. Service of notice

A notice or other document shall be served by the Company or the Secretary on any Member or Director, as the case may be, either personally or by sending it through the post in prepaid letter addressed to such Member or Director at his registered address as appearing in the Register or the Register of Directors (as the case may be) and the Records of Depositors in Malaysia or (if he has no address within Malaysia) to the address (if any) within Malaysia supplied by him to the Company for the serving of notices to him. All notices shall be given to the persons whose names appear in the Register or Record of Depositors of the Company and notices so given shall be sufficient notice to all the holders of such shares.

### 194. When notice is served and effected

A notice or other document if served or sent by post shall be deemed to have been served or delivered, in the case of a Member or Director having an address for service in Malaysia, two (2) days following that on which a properly stamped letter containing the same is posted within Malaysia, and in the case of a Member or Director having an address for service outside Malaysia, seven (7) days following that on which the letter suitably stamped at airmail rates containing the same is posted within Malaysia. In proving service by post it shall be sufficient to prove that the letter containing the notice or document was properly addressed and stamped and put into a Government post office letter box.

### 195. Service of notices after death or bankruptcy of a Member

Every person who, by operation of law, transfer, transmission or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, prior to his name and address being entered in the Register as the registered holder of such share or the Record of Depositors, shall have been duly given to the person from whom he derives the title to such share, provided always that a person entitled to a share in consequence of the death or bankruptcy of a Member, upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address within Malaysia for the service of notices, shall be entitled to have served upon him at such address any notice or document to which the Member if not for his death or bankruptcy would be entitled, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

### 196. Notice deemed served

Subject always to the provisions of Clause 187, any notice or document delivered or sent by post to, or left at, the registered address of any Member shall, if such Member be then deceased, and whether or not the Company has notice of his death, be deemed to have been duly served on his legal personal representatives.

### 197. Notice of general meetings

(1) Notice of every general meeting shall be given in any manner hereinbefore authorised to :-

- (a) every Member with a registered address in Malaysia or an address for service of notices in Malaysia;
- (b) every person entitled to a share in consequence of the death or bankruptcy of a Member who, but for the death or bankruptcy, would be entitled to receive notice of the meeting;

- (c) The Directors for the time being of the Company;
  - (d) the Auditor for the time being of the Company; and
  - (e) the Exchange.
- (2) Save as otherwise provided in the Constitution or in the Act, no other person shall be entitled to receive notice of general meetings.
- (3) Any notice on behalf of the Company or of the Board of Directors shall be deemed effectual if it purports to bear the signature of the Secretary or other duly authorised officer of the Company.

### WINDING UP

#### 198. Distribution of assets in specie

If the Company is wound up (whether the liquidation is voluntary, by creditors or by the court), the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, 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 or contributories as the liquidator, with the like sanction, thinks fit, but so that no Members or contributories shall be compelled to accept any shares or other securities whereon there is a liability.

#### 199. Distribution of assets

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

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

### SECRECY CLAUSE

#### 200. Secrecy

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

### INDEMNITY

## 201. Indemnity

Subject to the provisions of the Sections 288 and 289 of the Act, any provision whether contained in the Constitution or in any contract with a company or otherwise, for exempting any officer or auditor of the company from, or indemnifying him against, any liability which by law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust, of which he may be guilty in relation to the company, shall be void.

## RECONSTRUCTION

## 202. Power of liquidator to accept shares, etc as consideration for sale of property of the Company

In the case of the sale of the undertaking of the Company, the Directors in the case of a winding up, the liquidators on a winding up may, if authorised by a special resolution, accept fully paid or partly paid up shares, debentures or securities of any other company, either then existing or to be formed, for the purchase in whole or in part of the property of the Company, and the Directors or the liquidators (as the case may be), may distribute such shares or securities, or any property of the Company amongst the Members without realisation, or vest the same in trust for them, and such special resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefits or property otherwise than in accordance with the strict legal rights of the Members or contributories of the Company, and for valuation of any such securities or property at such price and in such manner as the meeting may approve, and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in the case that the Company is in the course of being wound up, such statutory rights (if any) under Section 457 of the Act as are incapable of being varied or excluded by the Constitution.

## ALTERATION OF CONSTITUTION

## 203. Constitution

The Company may by a special resolution, alter or amend its Constitution unless the Constitution itself prohibits the alteration or amendment. Upon the date of the special resolution was passed or a later date as specified in the resolution, any alteration or amendment to the Constitution shall bind the Company and the members accordingly. Subject to the provisions of Section 36 of the Act and Clause 202, the Company shall not delete, amend or add to any of the Clauses in the Constitution which have been previously approved by the Exchange, unless prior written approval has been sought and obtained from the Exchange for such deletion, amendment or addition.

## EFFECT OF THE LISTING REQUIREMENTS

## 204. Effect of the Listing Requirements

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

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such a provision, the Constitution is deemed to contain that provision.

- (5) If the Listing Requirements require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision.
- (6) If any provision of the Constitution is or becomes inconsistent with the Listing Requirements, the Constitution is deemed not to contain that provision to the extent of the inconsistency.
- (7) For the purpose of this Clause, unless the context otherwise requires, "Listing Requirements" means the Listing Requirements of the Exchange including any amendment to the Listing Requirements that may be made from time to time.

## COMPLIANCE WITH STATUTES, REGULATIONS AND RULES

### 205. Compliance with statutes, regulations and rules

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

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

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

Dated this

**Signed:**

\_\_\_\_\_  
(Secretary)

Name : Woo Ying Pun (f)  
License No. / Membership No. : MAICSA 7001280  
SSM Practicing Certificate No. : -  
Date :

Company No.

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### **LODGER INFORMATION**

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