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TONG HERR RESOURCES BERHAD

(Company No. 432139-W)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PART A

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

PART B

PROPOSED ADOPTION OF NEW CONSTITUTION

The resolutions in respect of the above proposals will be tabled at the Twenty-Second (22nd) Annual General Meeting of the Company, which will be held at No. 2515 Tingkat Perusahaan 4A, Perai Free Trade Zone, 13600 Perai, Penang on Monday, 27 May 2019 at 2.00 p.m. Notice of the 22nd Annual General Meeting of the Company together with the Form of Proxy are set out in the Annual Report 2018 of the Company dispatched together with this Circular.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to vote for and on his behalf. In such event, the Form of Proxy should be lodged at the Registered Office of the Company at Suite S-21-H, 21st Floor, Menara Northam, 55, Jalan Sultan Ahmad Shah, 10050 George Town, Penang not later than forty-eight (48) hours before the time fixed for holding the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

The last day and time for you to lodge the Form of Proxy is on Saturday, 25 May 2019 at 2.00p.m.

This Circular is dated 29 April 2019

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**NOTICE OF
TWENTY-SECOND AGM
AND FORM OF PROXY**

**ENCLOSED
IN THE
ANNUAL REPORT 2018**

DEFINITIONS

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

- “AASB” : Acme Aluminium Sdn. Bhd. (636490-K)
- “Act” : The Companies Act, 2016 including all amendments made from the time and any re-enactment thereof
- “AGM” : Annual General Meeting
- “Allrich” : Allrich Corp (73100)
- “Board” : The Board of Directors of THR
- “Bursa Securities” : Bursa Malaysia Securities Berhad (635998-W)
- “Circular” : This circular dated 29 April 2019
- “Constitution” : Constitution of the Company
- “Director” : Has the meaning given in Section 2(1) of Capital Markets and Services Act 2007. For the purpose of the Proposed Renewal of Shareholders’ Mandate, this includes any person who is or was within the preceding six (6) months of the date on which the terms of transaction were agreed upon, a Director or Chief Executive Officer of THR Group or its subsidiary or holding company
- “KISB” : Kosmo Indah Sdn. Bhd. (693588-T)
- “Listing Requirements” : Main Market Listing Requirements of Bursa Securities as amended from time to time and any re-enactment thereof
- “LPD” : 12 April 2019 being the latest practicable date prior to the printing of this Circular
- “Mandated Related Parties” : Tongming Enterprise Co., Ltd. (TME), Tong Win International Co. Ltd. (TWI) and Winlink Fasteners Co. Ltd. (WFC)
- “Major Shareholder” : A person who has an interest or interests in one or more voting shares in the Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:
(a) 10% or more of the total number of voting shares in the Company; or
(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.

For the purpose of this definition, “interest” shall have meaning of “interest in shares” given in Section 8 of the Act.

This 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 the Company as defined above or any other corporation which is its subsidiary or holding company.

DEFINITIONS (CONTINUED...)

- “Person Connected” : In relation to any person (referred to as “said Person”) means such person who falls under any one of the following categories:-
- (i) a family* member of the said Person;
 - (ii) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;
 - (iii) a partner# of the said Person;
 - (iv) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
 - (v) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
 - (vi) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
 - (vii) a body corporate which is a related corporation of the said Person

Notes:-

* *Family in relation to a person means such person who falls within any one of the following categories:-*

- (i) spouse;*
- (ii) parent;*
- (iii) child including an adopted child and step-child;*
- (iv) brother or sister; and*
- (v) spouse of the persons referred to in subparagraphs (iii) and (iv) above.*

Partner in relation to any person (referred to as “said Person”), means such person who falls within any one of the following categories:-

- (i) a person with whom the said Person, is in or proposes to enter into partnership with. “Partnership” for this purpose refers to a “partnership” as defined in section 3 of the Partnership Act 1961 or “limited liability partnership” as defined in section 2 of the Limited Liability Partnerships Act 2012, as the case may be; or*

DEFINITIONS (CONTINUED...)

“Person Connected” (Continued...)	:	# (ii) a person with whom the said Person has entered or proposes to enter into a joint venture, whether incorporated or not.
“Proposed New Constitution”	:	Proposed adoption of new Constitution of the Company
“Proposed Renewal of Shareholders’ Mandate”	:	Proposed renewal of shareholders’ mandate for RRPT to be entered into by THR Group from the date of the forthcoming AGM to the next AGM
“Related Party(ies)”	:	Director(s), Major Shareholder(s) of THR Group or Person(s) Connected with such Director(s) or Major Shareholder(s). For the purpose of this definition, Director and Major Shareholder shall have the same meaning as given in Paragraph 10.02 of the Listing Requirements
“RHL”	:	Richard Holdings Limited (1925083)
“RRPT”	:	Recurrent Related Party Transactions of a revenue or trading nature which are necessary for THR Group’s day-to-day operations and are entered into by THR Group in the ordinary course of business which involves the interest, direct or indirect, of Related Parties
“Share(s)”	:	Ordinary share(s) in THR
“THA”	:	Tong Heer Aluminium Industries Sdn. Bhd. (200675-U)
“THF”	:	Tong Heer Fasteners Co. Sdn. Bhd. (174801-H)
“THFT”	:	Tong Heer Fasteners (Thailand) Co. Ltd. (0205547018706)
“THR” or “the Company”	:	Tong Herr Resources Berhad (432139-W)
“THR Group” or “the Group”	:	THR and its subsidiaries which are involved in the RRPT, collectively
“TME”	:	Tongming Enterprise Co., Ltd. (2008/0156)
“TMEC”	:	Tong Ming Enterprise Co., Ltd. (233975)
“TWI”	:	Tong Win International Co. Ltd. (54760)
“WFC”	:	Winlink Fasteners Co. Ltd. (97046185)

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations.

Any reference to a time of day shall be a reference to Malaysian time, unless otherwise stated.

PART A

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



TONG HERR RESOURCES BERHAD

(Company No. 432139-W)

(Incorporated in Malaysia)

Registered Office :-

Suite S-21-H, 21st Floor

Menara Northam,

55, Jalan Sultan Ahmad Shah,

10050 George Town, Penang

Date: 29 April 2019

Board of Directors :-

Mr. Tsai Ming Ti (Executive Chairman)

Mr. Tsai Yi Ting (Managing Director)

Mr. Tan Ban Leong (Executive Director)

En. Fazrin Azwar Bin Dato' Hj. Md. Nor (Independent Non-Executive Director)

En. Megat Abdul Munir (Independent Non-Executive Director)

Mr. Teh Eng Hin (Independent Non-Executive Director)

Ms. Tsai Pei Chen (Non-Independent Non-Executive Director)

Mr. Tsai, Hung-Chuan (Non-Independent Non-Executive Director)

Ms. Tsai, Chia-Yen (Non-Independent Non-Executive Director)

To : The Shareholders of Tong Herr Resources Berhad

Dear Sir/Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

1. INTRODUCTION

At the Company's 21st AGM held on 23 May 2018, the Company had obtained the shareholders' mandate to allow the THR Group to enter into RRPTs. The aforesaid existing shareholder mandate shall, in accordance with the Listing Requirements lapse at the conclusion of the forthcoming AGM unless the renewal of the shareholder mandate is obtained at the forthcoming AGM.

In connection thereto, the Board has on 12 April 2019 announced that the Company intends to seek shareholders' approval for the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM to be convened on Monday, 27 May 2019. The purpose of Part A of this Circular is to provide you with the relevant information on the Proposed Renewal of Shareholders' Mandate and to seek your approval for the resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the Company's forthcoming AGM.

The Ordinary Resolution in respect of the Proposed Renewal of Shareholders' Mandate is set out in Appendix II of this Circular.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF PART A OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION TO BE TABLED AT THE FORTHCOMING 22ND AGM OF OUR COMPANY.

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

Pursuant to Paragraph 10.09(2) of the Listing Requirements, the Company may seek a shareholders' mandate subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where in relation to Company with a share capital of RM60 million and above:
 - (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions (RRPT) is RM 1 million or more; or
 - (ii) the percentage ratios of such RRPT is 1% or more,whichever is the higher;
- (c) the Company's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by the Bursa Securities;
- (d) in a meeting to obtain shareholders' or unit holders' mandate, the RRPT must comply with the requirements set out in Paragraph 10.08(7) of the Listing Requirements; and
- (e) the Company to immediately announce to Bursa Securities when the actual value of a RRPT entered into by the Company, exceeds the estimated value of the RRPT disclosed in the Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where the Company has procured a shareholders' mandate pursuant to the above, the provision of Paragraph 10.08 of the Listing Requirements shall not apply with regard to transactions as detailed in this section.

The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders of the Company at the forthcoming AGM, will be subject to annual renewal and shall continue to be in force until :-

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

whichever is the earlier.

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (CONTINUED...)

2.1 Provisions under the Listing Requirements (Continued...)

Accordingly, the Company proposes to seek the approval from its shareholders for the Proposed Renewal of Shareholders' Mandate as set out in Section 2.4 for the THR Group to enter into transactions with Mandated Related Parties which are of a revenue or trading nature and necessary for its day-to-day operations at arms' length and on terms not more favourable to the Mandated Related Parties than those generally available to the public and are not to the detriment of the Company's minority shareholders.

2.2 Principal Activities of THR Group

THR is principally an investment holding company while the details and principal activities of its subsidiaries are as follows:-

No	Name of Companies	Principal Activity	THR's Direct Shareholding (%)
1.	THF	Manufacturing and sale of stainless steel fasteners including nuts, bolts, screws and all other threaded items	100.00
2.	THA Subsidiaries of THA -KISB -AASB	Extrusion and fabrication of aluminium product Rendering of property maintenance services Trading of aluminium extrusion products and parts	51.00 100.00 (Indirect) 80.00 (Indirect)
3.	THFT	Manufacturing and sale of stainless steel fasteners including bolts, screws and all other threaded items	99.99

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE (CONTINUED...)

2.3 Principal Activities of Mandated Related Parties

The principal activities of Mandated Related Parties which are not part of THR Group that are involved in the RRPT with the THR Group are set out below:-

Mandated Related Parties	Principal Activity
TME	Manufacture and sale of stainless steel, drawn wire rod, bolts and screws
TWI	Trading of standard stainless steel fasteners
WFC	Trading of screws and machinery parts

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2.4 Details of RRPT

The details of the nature and estimated annual value of the RRPT in respect of which THR Group is seeking mandate from its shareholders as contemplated under the Proposed Renewal of Shareholders' Mandate are as follows:-

Nature of transaction	Company in THR Group	Mandated Related Parties	Interested Related Parties	2019 Proposed Mandate	2018 Mandate		
				(A) Estimated value of transactions pursuant to 2019 Mandate *	(B) Estimated value of transaction disclosed in 2018 Mandate	(C) Actual value of transaction conducted pursuant to 2018 Mandate to LPD	Deviation between values in (B) and (C)
				(RM)	(RM)	(RM)	(%)
Purchase of goods ⁽¹⁾	THF	TME	Tsai, Ching-Tung ^{(a)(e)} Tsai Chen, Su-Kan ^(f) Tsai, Hung-Chuan ^{(a)(d)}	2,500,000	2,500,000	-	-
Purchase of goods ⁽²⁾	THF	WFC	Tsai, Jane-Rong ⁽ⁱ⁾ Tsai Chia-Yen ^(j) Tsai Ming Ti ^(c)	7,000,000	7,000,000	4,719,713	-
Sales of goods ⁽³⁾	THF	TWI	Tsai Liao Chin Yeh ^(f) Tsai Yi Ting ^(b) Tsai Pei Chen ^(g) Tsai Chia Chen ^(h)	10,000,000	10,000,000	1,173,199	-
Purchase of goods ⁽²⁾	THFT	WFC	Allrich Corp ^(k) Richard Holdings Limited ^(k)	5,000,000	5,000,000	3,057,147	-
Sales of goods ⁽³⁾	THFT	TWI		100,000,000	70,000,000	85,563,604	0.014*

*The actual value transacted increased from the estimated value due to increase of business activities as TWI had enlarged the market share during the validity period under the Mandate, which has benefit THR Group as a major supplier to TWI.

Notes:-

- (1) *Raw material which is drawn wire rod.*
 - (2) *Packing materials and indirect materials, which are moulds and tools and machinery parts for manufacture of nuts, bolts, screws and threaded items.*
 - (3) *Finished goods which are nuts, bolts, screws and threaded items.*
 - (a) *Major Shareholder of THR Group by virtue of his interest in Allrich, a Major Shareholder of THR, and also a Shareholder of TMEC, the holding company of Mandated Related Parties.*
 - (b) *Managing Director and Major Shareholder of THR Group by virtue of his interest in RHL, a major shareholder of THR, and also a Director of WFC and Major Shareholder of Mandated Related Parties by virtue of his interest in TMEC, the holding company of Mandated Related Parties. He is the son of Tsai Ming Ti and Tsai Liao Chin Yeh, and brother of Tsai Pei Chen and Tsai Chia Chen.*
 - (c) *Major Shareholder of THR Group by virtue of his interest in RHL, a Major Shareholder of THR, and also a Shareholder of TMEC, the holding company of Mandated Related Parties, Director of THR Group and TME. He is the brother of Tsai, Ching-Tung.*
 - (d) *Director of THR, THF and also a Director of Mandated Related Parties. He is the son of Tsai, Ching-Tung and Tsai Chen, Su-Kan.*
 - (e) *Director of THFT and TME. He is also the brother of Tsai Ming Ti.*
 - (f) *Major Shareholder of THR Group, by virtue of her indirect interest in Allrich/RHL, a Major Shareholder of THR, and also the spouse of Major Shareholder and/or Director of THR.*
 - (g) *Director and Major Shareholder of THR Group by virtue of her interest in RHL, a Major Shareholder of THR, and also the daughter of Tsai Ming Ti and Tsai Liao Chin Yeh, and sister of Tsai Yi Ting and Tsai Chia Chen.*
 - (h) *Major Shareholder of THR Group by virtue of her interest in RHL, a Major Shareholder of THR, and also the daughter of Tsai Ming Ti and Tsai Liao Chin Yeh, and sister of Tsai Yi Ting and Tsai Pei Chen.*
 - (i) *Major Shareholder of THR Group by virtue of her interest in Allrich, a Major Shareholder of THR, and also the daughter of Tsai, Ching-Tung and Tsai Chen, Su-Kan, and sister of Tsai, Hung-Chuan and Tsai, Chia - Yen.*
 - (j) *Director and Major Shareholder of THR Group by virtue of her interest in Allrich, a Major Shareholder of THR, and also the daughter of Tsai, Ching-Tung and Tsai Chen, Su-Kan, and sister of Tsai, Hung-Chuan and Tsai, Jane-Rong.*
 - (k) *Major Shareholder of THR and a deemed Major Shareholder of THR Group.*
- * *The estimated value of the transactions for the period from the date of the 21st AGM to the date of the next AGM in year 2019 are based on information available at the point of estimation. Due to the nature of the transactions, the actual value of the transactions may vary from the estimated aggregate value disclosed above.*

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2.5 Review methods or procedures for RRPT

There are procedures established by the THR Group to ensure that RRPT are undertaken on an arm's length basis and on the THR Group's normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders, consistent with the THR Group's usual business practices and policies, which are generally no more favourable to the Mandated Related Parties than those extended to unrelated third parties and are not to the detriment of the minority shareholders.

THR Group will observe the following procedures to supplement existing internal procedures for general transactions to ensure that the RRPT are 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 not to the detriment of the minority shareholders.

- (i) An approved list of related parties will be circulated to the THR Group and each related party to notify that all RRPT 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 not to the detriment of the minority shareholders;
- (ii) All RRPT will be reviewed by one (1) senior management and the Managing Director. Senior Management consists of Manager/Assistant Manager;
- (iii) Record all RRPT which are entered into pursuant to the Proposed Renewal of Shareholders' Mandate in a register maintained by the Company;
- (iv) The annual internal audit plan shall incorporate a review of all RRPT entered into pursuant to the Proposed Renewal of Shareholders' Mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to;
- (v) The Audit Committee and the Board shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor RRPT have been complied with and the review shall be done at every quarter together with the review of quarterly results;
- (vi) The Audit Committee and the Board have reviewed the procedures and shall continue to review the procedures as and when required, with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate. If a member of the Board or 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 abstain from any decision making by the Board or the Audit Committee in respect of that transaction;

2.5 Review methods or procedures for RRPT (Continued...)

- (vii) Surveys will be undertaken to gather information to compare the price quoted by third parties and related parties for the purpose of determining the competitive market price of materials and goods. It is our policy to purchase materials or goods from related parties when the prices are competitive with prices obtained from third parties. Other factors such as reliability of supply, delivery, services and quality of material or goods will also be taken into consideration for evaluation purpose;
- (viii) The cost plus method will be used to determine the transaction price. This method determines the arm's length price by adding an appropriate mark-up to the cost of production. The appropriate mark-up is the percentage earned by the Company on the RRPT/sales. Sales to related parties will not be on more favourable terms than those extended to unrelated third parties;
- (ix) At least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Mandated Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities;
- (x) In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be based on the cost plus method as described in item 2.5(viii). Otherwise they are subject to the approval of the Board of the transaction entities;
- (xi) There is no specific threshold for approval of the RRPT within the Group.

2.6 Amount Owning and Due under RRPT

As at the LPD, there were no amounts due and owing to our Group under the RRPT which exceeded the credit term.

2.7 Audit Committee's Statement

The Audit Committee of the Company has considered the procedures mentioned in Section 2.5 above and is satisfied that:-

- (a) THR Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner and these procedures and processes are reviewed as and when required; and
- (b) the procedures above are sufficient to ensure the terms of the RRPT are fair, reasonable and on normal commercial terms, are not more favourable to the related parties than those generally available to the public and the RRPT are not detrimental to the minority shareholders and are in the best interest of the THR Group.

3. RATIONALE AND BENEFITS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

THR Group has a long-standing business relationship with the Mandated Related Parties. The Mandated Related Parties are good customers of THR Group as well as reliable suppliers of raw materials and goods required by THR Group for its business. The raw materials and goods provided by the Mandated Related Parties are priced competitively and all transactions between THR Group and the Mandated Related Parties are carried out on an arms-length basis and on terms not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders. The raw materials and goods can also be obtained from the Mandated Related Parties even when short notice is given to them, in order to meet the tight orders of the Group's customers. THR Group can also obtain various products, which are out of the product range of the Group, from the Mandated Related Parties, to meet the order of its customers.

Although THR Group also sources similar raw materials and goods from third parties, THR would like to seek approval for the Proposed Renewal of Shareholders' Mandate as the close co-operation between THR Group and the Mandated Related Parties has reaped mutual benefits and has been and is expected to continue to be of benefit to the business of THR Group. The Mandated Related Parties are engaged in the same activity with THR Group, hence the Group can enjoy the lowest cost through bulk purchases arrangement and obtain the materials at short notice while maintaining at prevailing market prices, in order to meet customers' tight orders. Also due to the orders from customers of various range of product which is out of the product range of the Group, the Group entered into transactions with the Mandated Related Parties and hence will be able to supply additional range of products when required. Therefore, the Group will reap additional profit.

Shareholders' approval on an annual basis would eliminate the need to convene separate general meeting from time to time to seek shareholders' approval as and when potential RRPT with Related Parties arise, thereby reducing substantial administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the THR Group.

The Proposed Renewal of Shareholders' Mandate is intended to facilitate transactions in the normal course of business of the THR Group which are transacted from time to time with the Mandated Related Parties.

4. DISCLOSURE IN ANNUAL REPORT 2018

Disclosure is made in the annual report of the Company on the breakdown of the aggregate value of RRPT made pursuant to the existing shareholders' mandate during the financial year ended 31 December 2018.

5. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate is not expected to have any effect on the share capital, and is not expected to have any material effect on the earnings per share, net assets per share and gearing of the THR Group.

6. APPROVAL REQUIRED

The Proposed Renewal of Shareholders' Mandate is subject to the approval of the shareholders of the Company at the forthcoming AGM to be convened or at any adjournment thereof.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND / OR PERSONS CONNECTED TO THEM

As at LPD, the direct and indirect interests of the Interested Directors, Major Shareholders of THR and Person Connected with them, in respect of the Proposed Renewal of Shareholders' Mandate, are as follows:

	No. of Ordinary Shares held in THR			
	Direct	% [^]	Indirect	% [^]
Interested Directors and/or Major Shareholders				
Tsai Ming Ti	1,955,402	1.27	50,101,357 ^(a)	32.44
Tsai Yi Ting	198,000	0.13	49,044,307 ^(c)	31.75
Tsai, Hung-Chuan	-	-	61,191,043 ^(b)	39.62
Tsai Pei Chen	731,100	0.47	49,044,307 ^(c)	31.75
Tsai, Chia-Yen	-	-	61,191,043 ^(b)	39.62
Allrich	61,191,043	39.62	-	-
RHL	49,044,307	31.75	-	-
Person Connected with Interested Directors and/or Major Shareholders				
Tsai, Ching-Tung	-	-	61,191,043 ^(b)	39.62
Tsai Chen, Su-Kan	-	-	61,191,043 ^(b)	39.62
Tsai Liao Chin Yeh	1,057,050	0.68	50,999,709 ^(d)	33.02
Tsai, Jane-Rong	-	-	61,191,043 ^(b)	39.62
Tsai Chia Chen	-	-	49,044,307 ^(c)	31.75

Notes :

(a) Deemed interested by virtue of his interest in RHL and Shares held by his spouse, Tsai Liao Chin Yeh

(b) Deemed interested by virtue of his/her interest in Allrich

(c) Deemed interested by virtue of his/her interest in RHL

(d) Deemed interested by virtue of her indirect interest in RHL and Shares held by her spouse, Tsai Ming Ti

[^]Based on the total issued capital of 157,430,000 Ordinary Shares excluding 2,976,900 Ordinary Shares held as treasury shares as at LPD.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND / OR PERSONS CONNECTED TO THEM (CONTINUED...)

The abovenamed Directors, who are interested in the Proposed Renewal of Shareholders' Mandate have abstained and will continue to abstain from all deliberations and voting on the RRPT involving them, as set out in the Proposed Renewal of Shareholders' Mandate, at the relevant Board meetings and will also abstain from voting on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM to be convened or at any adjournment thereof.

Accordingly, the Major Shareholders will also abstain from voting on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM. The abovenamed Interested Directors and Major Shareholders have undertaken to ensure that the Person(s) Connected with them will abstain from voting, deliberating or approving the resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM to be convened or at any adjournment thereof.

Save as disclosed above, none of the other Directors and/or Major Shareholder or Person Connected with them has any interest, directly or indirectly in the Proposed Renewal of Shareholders' Mandate.

8. DIRECTORS' RECOMMENDATION

The Board (save and except for Tsai Ming Ti, Tsai, Hung-Chuan, Tsai Yi Ting, Tsai Pei Chen and Tsai, Chia-Yen who are deemed interested in the Proposed Renewal of Shareholders' Mandate), having considered all aspects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of the Company and accordingly, recommends that you vote in favour of the resolution pertaining to the Proposed Renewal of Shareholders' Mandate under Special Business to be tabled at the forthcoming AGM.

9. AGM

The 22nd AGM, the Notice of which is enclosed in Annual Report 2018, will be held at No. 2515 Tingkat Perusahaan 4A, Perai Free Trade Zone, 13600 Perai, Penang on Monday, 27 May 2019 at 2.00 p.m., for the purpose of considering and, if thought fit, passing the ordinary resolution so as to give effect to the Proposed Renewal of Shareholders' Mandate.

If you are unable to attend and vote in person at the 22nd AGM, you are requested to complete, sign and return the Form of Proxy enclosed in the Annual Report 2018 in accordance with the instructions printed therein. The Form of Proxy must be lodged at the Registered Office of the Company not less than forty-eight (48) hours before the time fixed for the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

10. FURTHER INFORMATION

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

Yours faithfully
For and on behalf of the Board of
Tong Herr Resources Berhad

Megat Abdul Munir
Independent Non-Executive Director

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PART B

PROPOSED ADOPTION OF NEW CONSTITUTION



TONG HERR RESOURCES BERHAD

(Company No. 432139-W)

(Incorporated in Malaysia)

Registered Office :-

Suite S-21-H, 21st Floor

Menara Northam,

55, Jalan Sultan Ahmad Shah,

10050 George Town, Penang

Date: 29 April 2019

Board of Directors :-

Mr. Tsai Ming Ti (Executive Chairman)

Mr. Tsai Yi Ting (Managing Director)

Mr. Tan Ban Leong (Executive Director)

En. Fazrin Azwar Bin Dato' Hj. Md. Nor (Independent Non-Executive Director)

En. Megat Abdul Munir (Independent Non-Executive Director)

Mr. Teh Eng Hin (Independent Non-Executive Director)

Ms. Tsai Pei Chen (Non-Independent Non-Executive Director)

Mr. Tsai, Hung-Chuan (Non-Independent Non-Executive Director)

Ms. Tsai, Chia-Yen (Non-Independent Non-Executive Director)

To : The Shareholders of Tong Herr Resources Berhad

Dear Sir/Madam,

PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY

1. INTRODUCTION

The Company has on 12 April 2019 announced that the Board proposed to seek the shareholders' approval for the adoption of the Company's new Constitution at the forthcoming AGM. The purpose of Part B of this Circular is to provide you with details of the Proposed New Constitution, as well as to seek your approval for the Special Resolution pertaining to the Proposed Adoption of New Constitution to be tabled at the forthcoming AGM.

The Special Resolution in respect of the Proposed Adoption of New Constitution is set out in Appendix II of this Circular.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF PART B OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION TO BE TABLED AT THE FORTHCOMING 22ND AGM OF OUR COMPANY.

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

The Proposed Adoption of a New Constitution is primarily for the purpose of streamlining the existing Constitution to be aligned with changes to the Companies Act 2016 which came into force on 31 January 2017, changes in the Listing Requirements and prevailing laws. The details of the Proposed New Constitution are set out in Appendix III of this Circular.

The Proposed Adoption of a New Constitution is also undertaken to provide greater clarity as well as to render consistency throughout in order to facilitate and enhance administrative efficiency.

3. EFFECTS OF THE PROPOSED ADOPTION OF NEW CONSTITUTION

The Proposed Adoption of New Constitution will not have any effect on the share capital and shareholdings of substantial shareholders of the Group, and will not have any material effect on the earnings per share, net assets per share and gearing of THR Group.

4. APPROVAL REQUIRED

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

The New Constitution shall take effect upon the resolution in respect of the Proposed Adoption of New Constitution has been passed by a majority of not less than 75% of the total voting rights of the Shareholders who are entitled to attend and vote in person or by proxy at the forthcoming 22nd AGM of the Company.

5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND / OR PERSONS CONNECTED TO THEM

None of the Directors or Major Shareholders of the Company and/or Persons Connected to them has any interest, direct or indirect, in the Proposed Adoption of New Constitution.

6. DIRECTORS' RECOMMENDATION

The Board, after having considered all aspects of the Proposed Adoption of New Constitution, is of the opinion that the Proposed Adoption of New Constitution is in the best interest of the Company. Accordingly, our Board recommends that you vote in favour of the Special Resolution pertaining to the Proposed Adoption of New Constitution to be tabled at the forthcoming AGM of our Company.

7. AGM

The 22nd AGM, the Notice of which is enclosed in the Annual Report 2018, will be held at No. 2515 Tingkat Perusahaan 4A, Perai Free Trade Zone, 13600 Perai, Penang on Monday, 27 May 2019 at 2.00 p.m., for the purpose of considering and, if thought fit, passing the Special Resolution so as to give effect to the Proposed Adoption of New Constitution.

7. AGM (CONTINUED...)

If you are unable to attend and vote in person at the 22nd AGM, you are requested to complete, sign and return the Form of Proxy enclosed in the Annual Report in accordance with the instructions printed therein. The Form of Proxy must be lodged at the Registered Office of the Company not less than forty-eight (48) hours before the time fixed for the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

8. FURTHER INFORMATION

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

Yours faithfully
For and on behalf of the Board of
Tong Herr Resources Berhad

Megat Abdul Munir
Independent Non-Executive Director

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FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by THR and/or its subsidiaries within the past two (2) years preceding the LPD of this Circular.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Neither THR nor any of its subsidiary companies are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board is not aware and do not have any knowledge of any preceding pending or threatened against the Company and/or its subsidiaries or of any facts likely to give rise to any preceding which may materially or affect the financial position or business of THR Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal office hours (except public holidays) at the Registered Office of THR at Suite S-21-H, 21st Floor, Menara Northam, 55, Jalan Sultan Ahmad Shah, 10050 George Town, Penang from the date of this Circular up to and including the date of the forthcoming AGM:

- (a) the Constitution of THR; and
- (b) the Audited Financial Statements of THR for the past two (2) financial years ended 31 December 2017 and 2018 respectively.

TONG HERR RESOURCES BERHAD

(Company No. 432139-W)

(Incorporated in Malaysia)

EXTRACT OF NOTICE OF TWENTY-SECOND AGM**ORDINARY RESOLUTION****PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

“THAT subject to the Companies Act 2016 (“Act”), provisions of the Constitution of the Company and the requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”) and other relevant governmental and regulatory authorities where such authority shall be necessary, approval be and is hereby given to the Company and/or its subsidiaries (“the Group”) to enter into and to give effect to the recurrent related party transactions as specified in Section 2.4 of the Circular to the shareholders dated 29 April 2019 provided that such transactions which are necessary for the Group’s day to day operations are undertaken in the ordinary course of business, at arm’s length basis, on normal commercial terms which are not more favourable to the Mandated Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company (“Proposed Renewal of Shareholders’ Mandate”).

AND THAT the Proposed Renewal of Shareholders’ Mandate shall continue to be in force until:-

- 5.4.1 the conclusion of the next Annual General Meeting (“AGM”) of the Company, at which time it will lapse, unless by a resolution passed at the said AGM, the authority is renewed; or
- 5.4.2 the expiration of the period within which the next AGM after that date is required to be held pursuant to section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to section 340(4) of Act); or
- 5.4.3 revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

AND FURTHER THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders’ Mandate.”

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

“THAT the Company’s existing Constitution be deleted in its entirety with immediate effect and in place thereof, the new Constitution of the Company as set out in Part B of the Circular to shareholders dated 29 April 2019 AND THAT the Directors and Secretaries of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all things and take all such steps as may be considered necessary and/or expedient in order to give full effect to the Proposed Adoption of New Constitution.”

**THE COMPANIES ACT 2016
MALAYSIA
PUBLIC COMPANY LIMITED BY SHARES
CONSTITUTION
OF
TONG HERR RESOURCES BERHAD
(Company No. 432139-W)**

(1)

THE COMPANIES ACT 2016
MALAYSIA
PUBLIC COMPANY LIMITED BY SHARES
CONSTITUTION
OF
TONG HERR RESOURCES BERHAD
(Company No. 432139-W)

1. The name of the Company is Tong Herr Resources Berhad.
2. The registered office of the Company is situated in Malaysia.
3. The Objects for which the Company is established shall include but not limited to the following:
 - (1) To carry on the business and industry of manufacturers, dealers, importers, exporters and assemblers in cables and wires of all types, engineering supplies, mechanical and electrical hardware and products, equipment parts electronic and precision tools, component and implements of every description and makes and or for applicable to all classes of mechanical, engineering, agricultural & industrial production or for the development and maintenance of such business or undertaking and to carry on the business of engineering and the business of iron and steel founders, colliery stampers and spinners, and manufacturers and dealers in machinery, refrigerators, wireless machines and apparatus and hardware of all kinds.
 - (2) To import, manufacture, export, distribute, purchase, sell and otherwise deal in all manner of electronic and electrical components and equipment, building materials of every description, textiles, photographic goods, watches, motor vehicles and yarns, and prepare manufacture and render marketable any such commodities, and to sell, dispose of and deal in any such commodities either in their raw state or as prepared or manufactured and either by wholesale or retail.
 - (3) To carry on or conduct the business of stationers, printers, lithographers, stereotypers, electrotypers, photographic printers, photolithographers, paper manufactures and dealers in the materials used in the manufacture of paper, dealers in stationery and office paper supplies and furniture and materials and things of a character similar or analogous to the foregoing or any of them or connected therewith.
 - (4) To undertake any of the business of a holding company and to acquire and hold for investment shares, stock, debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any company or private undertaking or any syndicate or persons constituted or carrying on business in Malaysia or elsewhere.

(2)

- (5) To hold shares or invest in, and to acquire, lease, promote or sell, and to manage, conduct or undertake the business of management or otherwise howsoever direct the operations of any business, company, corporation, firm of any other whatsoever enterprise, undertaking or venture, and generally to undertake any of the business of a holding, or management company.
- (6) To acquire lands and property of any tenure, or any interest in the same and to develop, improve and turn to account any such lands and property, and in particular by laying out, subdividing and preparing the same for building purposes, constructing, erecting, planting, paving, draining and maintaining buildings, offices, garages, factories, warehouses, shops, houses, flats, apartments and works of every description including construction of bridges and highways and altering, enlarging, pulling down, rebuilding and improving such existing constructions and converting and appropriating any such land into and for roads, streets, drains, squares, gardens and pleasure grounds and other conveniences and to take on all types of engineering works whether civil, mechanical, electrical or otherwise in relation to such constructions and conveniences and to sell, lease, let, charge, mortgage, exchange or otherwise deal with or dispose of such conveniences and constructions.
- (7) To carry on business as concessionaires and merchants and to undertake, and carry on, and execute all kinds of commercial trading and other operations.
- (8) To carry on business of importers and exporters of all kinds of merchandise including fertilizers, tyres, building materials of every description, textiles, photographic goods, electrical goods, watches, motor vehicles and yarns and prepare, manufacture and render marketable any such commodities, and to sell, dispose of and deal in any such commodities either in their raw state or as prepared or manufactured and either by wholesale or retail.
- (9) To carry on the business of garage keepers and suppliers of and dealers in plant, electricity and other motive power.
- (10) 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, tramways, waterways, roads, bridges, warehouses, factories, mills, engines, machines, railway carriages and wagons, gas works, electric works, water works, drainage and sewerage works and buildings of every description.
- (11) To carry on or conduct all or any of the businesses of builders, carpenters, carriers, contractors, decorators, dredgers, prospectors, job-masters, quarrymen, quarry proprietors, refiners and smelters, victualers, agents, dealers, exporters and importers, merchants, makers or manufacturers for or in all goods, lines, matters and things including bricks, furniture, hardware, lime, matters and things including bricks, furniture, hardware, lime, metals, sands, stone, tiles, timber, terra cotta and all other building requisites, estate house or land agents.

(3)

- (12) To alter, construct, equip, operate, and own buildings and erections, mills, offices, vehicles and any other property of all and every description and type and for all purposes.
- (13) To carry on business as exporters, importers, cultivators, winers, sawmillers, and manufacturers of and dealers and traders in every description of timber, wood and cane, raw, manufactured or partly manufactured goods and articles of any description made entirely or partly of wood, timber or cane or any combination thereof, products and by-products of any description obtained from wood, timber, cane or other forest or plant matter or thing of any whatsoever description, or resulting from the handling, manufacture, or processing of woods, timber, cane or other forest produce, plant matter or thing including coal, charcoal, paper, plastics and other synthetic materials.
- (14) 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.
- (15) 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.
- (16) To manage, operate and maintain fuel, oil and petrol pumps, stations and retail and wholesale agencies, and garages, service stations, workshops and repair shops.
- (17) To obtain, procure, purchase, take on lease or sublease, exchange or otherwise acquire in any part of the world any concessions, grants, claims, licences, leases, options, rights or privileges for any mining objects or purposes of 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, licences, leases, mines, lands, options, rights or privileges and produce thereof.
- (18) 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.

(4)

- (19) To construct, maintain, improve, develop, work, control, operate, and manage any waterworks, garages, and petrol oil fuel and service stations, gasworks, reservoirs, roads, tramways, electric power, heat and light supply works, telephone works, motels, guest house, rest houses, clubs, restaurants, baths, places of worship, places of amusement, pleasure grounds, parks, gardens, reading rooms, store, 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.
- (20) 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.
- (21) 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, holidaying, develop, promote, operate, manage, work and control holiday resorts and camps, vacation centres and to arrange, organize, and manage tours of all kinds; to arrange, organize and manage, cruises journeys, tours, travels, trips, voyages and expeditions of all kinds, and to promote, 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.
- (22) To carry on business as dealers and general merchants, exporters, and importers, general agents, and brokers, and to buy, sell, manipulate and deal (both wholesale and retail) in commodities of all kinds which can conveniently be dealt with by the Company in connection with any of its objects and to buy, hire, manufacture, sell, deal and trade in all kinds of merchandise, produce, goods, stores, and to transact any or every description of agency, commission, commercial development, manufacturing, mercantile and financial business.
- (23) To carry on business of planters, farmers, and cultivators and dealers in rubber, oil palm, coconut, gutta percha, jelutong gum of every description, latex bearing plants, rice, wheat, oats, cereals and grains of all kinds, sugar, tea, bananas, coffee, cocoa, spices, pepper, cinchona, cinnamon, tobacco, gambier, oil palms, cotton, flax, fruit trees, potatoes, root crops, mulberry and other trees for the production of silk, and all kinds of trees and plants.

(5)

- (24) To carry on business as farmers, dairy and poultry farmers and merchants, graziers, cultivators, storekeepers, printers, newspapers proprietors, cattle breeders, stockmen, provision preservers, exporters and importers, brokers, and to transact any and every description of agency, commission, commercial manufacturing, mercantile and financial business.
- (25) To manufacture, buy, sell, exchange and in any other whatsoever manner deal with, utilize or turn to account any matter, substance or thing including (but without prejudice to the generality of the foregoing) bone, copra, fertilizer, guano, manure and all agricultural and farm produce.
- (26) 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.
- (27) 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, bicycle, carts, carriages, ropeways, cableways, high lead lines, cranes and all other forms, of craft, machine or vehicle, animals or material, either terrestrially, sub-terranously, or aerially and all tools and parts thereof and all other things proper to be used in connection therewith.
- (28) To carry on all or any of the business of barge owners, lightermen, stevedores, forwarding agents, and any other form of transport business, ice merchants, refrigerating-storekeeper, warehousemen, wharfingers and general traders.
- (29) To carry on the business of chemists, druggists, drysalter, 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 colours grinders, makers of and dealers in proprietary articles of all kinds and of electrical, chemical, photographic, 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.
- (30) To apply for purchase of, otherwise acquire, use, assign, sell and generally deal in patents, patent-rights, trade-marks, designs, or other exclusive or non-exclusive or limited rights or privileges and to use, develop, grant licences, and otherwise turn to account the same or any interests thereunder and at pleasure to dispose of the same in any way.
- (31) 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.

(6)

- (32) To aid, finance, subsidise 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 authorised 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.
- (33) To invest the capital of the Company and made advances on all description of motor vehicles and other goods, wares and merchandise whether on mortgage, 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.
- (34) To transact business as financiers, promoters and financial and monetary agents in any part of the world and for such purposes to establish agencies, and to appoint financial and managing agents and attorneys and to produce the Company to be registered or recognised.
- (35) 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 obligation 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 stocks (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.
- (36) To lend and advance money or give credit to any person or company; to guarantee and give guarantees or indemnities for the payment of money or the performance of contract or obligations by any person or company; to charge all or any immovable properties owned by the Company to any Bank, Finance Company or any Financial Institution to secure the repayment of monies lent or advanced to any person or firm or corporation by such Bank, Finance Company or Financial Institution.
- (37) 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 with interest or without interest.
- (38) 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 or render profitable any of the Company's property or rights.

(7)

- (39) To advance, deposit or lend money 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.
- (40) To transact and carry on all kinds of agency business and in particular to collect rents and debts and to negotiate loans, to issue shares, stocks and debenture stocks.
- (41) To administer trust estate, and the estate 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.
- (42) 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 to do all such deeds and things as may be requisite in relation to any such trustee or trustees.
- (43) To promote or assist in the promotion of any company for the purpose of acquiring the undertaking or 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, debenture stocks or securities of such company and to subsidise or otherwise assist any such company.
- (44) 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 other business which the Company is authorised to carry on or engage in or possessed or 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 stocks or securities of the Company.
- (45) To amalgamate, enter into partnership or any arrangement for sharing profits, union of interests, co-operation, joint venture, 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 authorised 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.
- (46) 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 business capable of being conducted so as directly or indirectly to benefit this Company.

(8)

- (47) To purchase, acquire, hold, sell shares, stocks, debentures, debenture 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.
- (48) 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.
- (49) To sell, improve, manage, develop, lease, mortgage, dispose of, exchange, turn to account or otherwise deal with all or any part of the property and rights of the Company.
- (50) 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 stocks or securities of any company having objects altogether or in part similar to those of this Company.
- (51) 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.
- (52) To enter into any agreement 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 any such governments or authority any rights, privileges 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.
- (53) 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.
- (54) To draw, make, accept, endorse, discount, execute, and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (55) 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 debentures or debenture stocks, perpetual or otherwise, charged upon, and by mortgage, charge, lien, debentures or debenture stocks 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.

(9)

- (56) To remunerate any person or company for services rendered 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.
- (57) 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 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.
- (58) To establish and or support or to aid in the establishment and or support of and to make donations or subscription to or to subsidise any whatsoever association, fund, institution, place of worship, school, society or any other body.
- (59) To make contributions and donations and in any other manner to give aid assistance and help to any person, firm, company, association, society or other body or party for any whatsoever object or purpose.
- (60) To purchase its own shares subject to, and in accordance with the Companies Act 2016, the rules, regulations, and orders made pursuant thereto and the requirements of the Bursa Securities and any other relevant authority.

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 unincorporated and whether domiciled in Malaysia or elsewhere, and further that the objects specified in such paragraph of this clause shall be regarded as independent objects and accordingly shall except where otherwise expressed in any paragraph be in no way 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 constructed just as wide a sense as if the said paragraph defined the object of a separate distinct and independent company.

- 4. Section 21 of the Companies Act 2016 shall apply to the Company and the Company shall be capable of exercising all the functions of a body corporate and have the full capacity to carry on or undertake any business or activity the Directors considered advantageous to the Company and that are not prohibited under any law for the time being in force in Malaysia.
- 5. The liability of the members is limited.
- 6. The share capital of the Company comprises ordinary shares. The Company has power from time to time to increase or reduce its capital, and to issue any shares, in the original or increased capital as ordinary, preferred or deferred shares, and to attach to any class or classes of such shares, any preferences, rights, privileges or conditions or to subject the same to any restrictions as limitations.

7. (1) A share in a Company confers on the holder: -
- (a) the right to attend, participate and speak at a meeting;
 - (b) the right to vote on a show of hands on any resolution of the Company;
 - (c) right to one vote for each share on a poll on any resolution of the Company;
 - (d) the right to an equal share in the distribution of the surplus assets of the Company; or
 - (e) the right to an equal share in dividends authorised by the Board.
- (2) Notwithstanding paragraph (1)(e), the right to dividends as specified therein may be negated, altered or added to in accordance with the terms on which the share is issued.

INTERPRETATION

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

"Act" means the Companies Act, 2016 and any statutory modification, amendment or re-enactment thereof for the time being in force.

"Applicable Laws" means all laws, bye laws, regulations, rules, orders and/or official directions for the time being in force affecting the Company and its subsidiaries, including but not limited to the Act, the Securities Laws, the Listing Requirements and any other law for the time being in force concerning companies and affecting the Company and any other directives or requirements imposed on the Company by the Securities Commission and/or other relevant regulatory bodies and/or authorities.

"Articles" means any provisions in this Constitution as originally framed or as altered from time to time in accordance with the Applicable Laws.

"Auditor" means an auditor who is registered under Section 310 of the Securities Commission Malaysia Act 1993 who are the auditors of the Company for the time being.

"Board" means the Board of Directors for the time being of the Company and where the context permits or requires, shall mean the Directors whose number is not less than the required quorum acting as a Board of Directors.

"Bursa Depository" means Bursa Malaysia Depository Sdn. Bhd. (Company No. 165570-W) or by whatever name from time to time called.

"Bursa Securities" means Bursa Malaysia Securities Berhad or any Stock Exchange on which the shares of the Company are listed.

(11)

"Central Depositories Act" means Securities Industry (Central Depositories) Act, 1991 or any statutory modification, amendment or re-enactment thereof for the time being.

"Company" means TONG HERR RESOURCES BERHAD (Company No.: 432139-W) by whatever name from time to time called.

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

"Convertible Securities" means securities which are convertible or exercisable, by their terms of issue, into listed shares.

"Deposited Security" means a security standing to the credit of a securities account and includes a security in a securities account that is in suspense.

"Depositor" means a holder of securities account established by the Bursa Depository.

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

"Dividend" includes bonus.

"Dividend Reinvestment Scheme" means a scheme which enables shareholders to reinvest cash dividend into new shares.

"Exempt Authorised Nominee" refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Subsection 25A(1) of Central Depositories Act.

"Listing Requirements" means the Bursa Securities Main Market Listing Requirements including any amendment thereto that may be made from time to time.

"Market Day" means a day on which the stock market of the Bursa Securities is open for trading in Securities.

"Member" includes a depositor who will be treated as if he were a member pursuant to Section 35 of the Central Depositories Act but excludes the Bursa Depository in its capacity as a bare trustee.

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

"Record of Depositors" means the record provided by the Bursa Depository to the Company under Chapter 24.0 of the Rules of Bursa Depository.

"Registrar" means Registrar of Companies under the Act and includes any Regional Deputy or Assistant Registrar of Companies.

"Register" means the Register of Members to be kept pursuant to the Act and unless otherwise expressed to the contrary; includes the Record of Depositors.

"Rules of the Depository" means the Rules of Bursa Depository and including any amendments that may be made from time to time.

"Seal" means the Common Seal of the Company.

"Secretary" means any person or persons appointed to perform the duties of the secretary of the Company and shall include a joint, temporary, assistant or deputy secretary.

"Securities" has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007.

"Securities Account" means an account established by the Bursa Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor.

"Share seal" means the share seal of the Company.

"Shares" means shares in the Company.

"Share Issuance Scheme" means a scheme involving a new issuance of shares to the employees.

"Treasury shares" has the meaning given in Section 127(4)(b) of the Act.

Reference to "writing" shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words, letters, figures or marks in a visible form or in any other form or manner, whether in hard copy or in electronic form sent by way of an electronic communication or otherwise in a form that allows the document and/or information to be easily accessible and reproduced into written, electronic or visible form.

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

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

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

EFFECT OF THE APPLICABLE LAWS

9. (i) Notwithstanding anything contained in this Constitution, if the Applicable Laws prohibit an act being done, the act shall not be done.
- (ii) Nothing contained in this Constitution prevents an act being done that the Applicable Laws require to be done.
- (iii) If the Applicable Laws 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).
- (iv) If the Applicable Laws require this Constitution to contain a provision and they do not contain such a provision, these Articles are deemed to contain that provision.
- (v) If the Applicable Laws require this Constitution not to contain a provision and they contain such a provision, this Constitution are deemed not to contain that provision.
- (vi) If any provision of this Constitution is or becomes inconsistent with the Applicable Laws, this Constitution are deemed not to contain that provision to the extent of the inconsistency.

SHARES

10. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the Act, the Central Depositories Act and to the conditions, restrictions and limitations expressed in this Constitution and to the provisions of any resolution of the Company, the Directors may allot, grant options over, issue shares pursuant to a Dividend Reinvestment Scheme to such persons, at such time and on such terms and conditions, with such preferred or deferred or other special rights 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 of the Company or its subsidiaries shall be approved by the members in general meeting and such approval shall specially detail the amount of shares or options to be issued to such employees;

Issue of shares

(d) Except in the case of a rights issue to members, back-to-back placement undertaken in compliance with the Listing Requirements or a Dividend Reinvestment Scheme, a Director of the Company and persons connected with the Director shall not participate, directly or indirectly, in an issue of ordinary shares or other securities with rights of conversion to ordinary shares unless the members of the Company have approved the specific allotment to be made to the Director or persons connected with him and the Director and such connected persons (if applicable) have abstained from voting on the relevant resolutions.

11. Subject to the approval of the members of the Company, this Constitution, the provisions of the Act, the requirements of the Bursa Securities, the Central Depositories Act and or any other relevant authority, the Company may upon the recommendation of the Directors remunerate any employees and/or Directors of the Company or its subsidiaries by establishing a Share Issuance Scheme. The terms and conditions of the Share Issuance Scheme shall be determined by the Board of Directors. **Share Option Scheme**
12. The Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company, nor shall the Company make a loan for any purpose whatsoever on the security of its shares or those of its holding company, but nothing in this Constitution shall prohibit transactions mentioned in the provision of the Act. **No financial assistance**
13. In addition to all other powers of paying commissions, the Company (or the Board on behalf of the Company) may exercise the powers conferred by the Act of applying its shares or capital moneys in paying commissions to persons subscribing or procuring subscriptions for shares of the Company, or agreeing so to do whether absolutely or conditionally, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and shall not exceed ten per cent (10%) of the price at which the shares in respect whereof the commission is paid are issued or an amount equivalent thereto. The Company (or the Board on behalf of the Company) may also on any issue of the shares pay such brokerage as may be lawful. **Power of paying Commission**
14. 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 plants which cannot be made profitable for a long period the Company may pay interest or return on so much of such share capital as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in Section 69 of the Act, and may charge the same to capital as part of the cost of construction of the works, buildings or plants. **Shares issued for purposes of raising money for the construction of works or buildings**

15. 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 they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.
16. Except as required by law and as provided under the Rules of the Depository, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not even when having notice thereof be bound or compelled to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by this Constitution otherwise expressly provided or as required by law) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.
17. Notwithstanding Clause 15 above, the Company may apply to the Bursa Securities for waiver of the convening of meeting of members to obtain members' approval for further issues of shares (other than bonus or rights issue) where -
- (a) in accordance with the provisions of the Act there is still in effect a resolution approving the issuance of shares by the Company; and
 - (b) the aggregate issues of which in any one financial year (other than by way of bonus or rights issues) do not exceed ten per cent (10%) of the issued share capital of the Company.
18. Subject to and in accordance with the Act and the Applicable Laws, the Company shall have the power to purchase its own shares. Any ordinary shares in the Company so purchased by the Company shall be dealt with as provided by the Act and the Applicable Laws and or any other relevant authority.
19. Subject to the Central Depositories Act and the Rules of the Depository, no person shall exercise any rights of a member until his name shall have been entered in the Register and he shall have paid all calls and other moneys for the time being due and payable on any share held by him.
20. If, by the condition of allotment of any share, the whole or part of the amount or issue price thereof shall be payable on fixed dates, every such amount shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share, or his legal personal representatives.

Compliance with Applicable Laws

Trusts not to be recognised

Waiver from the Bursa Securities for convening extraordinary general meeting for new issue of shares

Share buy-back

Exercise of rights of members

Installments

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| 21. Notwithstanding this Constitution, the Company shall comply with the provisions of the Central Depositories Act and the rules in respect of all matters relating to the prescribed securities. | Compliance with the Central Depositories Act and Rules |
| 22. 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 or the members with such securities save and except where it is specifically exempted from compliance with Section 38 of the Central Depositories Act, in which event it shall so similarly be exempted from compliance with this requirement. For this purpose, the Company must notify the Bursa Depository of the names of the allottees or members and all such particulars required by the Bursa Depository, to enable the Bursa Depository to make the appropriate entries in the securities accounts of such allottees or such members. | Issue of securities |
| 23. The Company shall allot securities, despatch notices of allotment to the allottees and apply for the quotation of such securities (where applicable), within eight (8) Market Days of the final applications date for an issue of securities or such other period as may be prescribed by the Bursa Securities. | Notice of allotment |

DISPOSAL OF SHARES OF MEMBERS WHOSE WHEREABOUTS UNKNOWN

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| 24. (1) Subject to the Central Depositories Act and the Rules of the Depository, 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 and/or the Record of Depositories as the address of the member stating that the Company after expiration of one (1) month from the date of the advertisement intends to transfer the shares to the Minister charged with responsibility for finance. | Transfer of shares belonging to unlocated members to the Minister |
| (2) If after the expiration of one (1) month from the date of the advertisement the whereabouts of the member remains unknown, the Company may transfer the shares held by the member in the Company to the Minister charged with responsibility for finance and for the purpose may execute for and on behalf of the member a transfer of those shares to the Minister charged with responsibility for finance. | |

ALTERATION OF RIGHTS

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| 25. | If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths (3/4) 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 this Constitution relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two (2) 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. | Alteration of class rights |
| 26. | The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respects pari passu therewith. | No alteration of rights by issuance of new shares |

CALLS ON SHARES

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| 27. | Where the amount unpaid on any shares (whether on account of the nominal amount of the shares or by way of premium) have not been made payable at fixed times by the conditions of allotment, the Directors may from time to time make such calls upon the members as the Directors may think fit in respect of the amounts unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium), provided that no call shall be payable at less than one (1) month from the date fixed for the payment of the last preceding call. Except in the case of calls payable at fixed times pursuant to the conditions of allotment, each member shall be entitled to receive at least fourteen (14) days' notice specifying the time or times and place of payment. | Calls on shares |
| 28. | Any call may be made payable either in one sum or by installments, and each member upon whom a call is made is liable to pay the amount of the call to the Company and at the time or times and place appointed by the Directors. A call may be revoked or the time for its payment may be postponed by the Directors. | Payment of calls |
| 29. | A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. | When call made |
| 30. | Subject to the Central Depositories Act and the Rules of the Depository, 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. | Directors may differentiate between holders |

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| 31. | 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 amount of the share or by way of premium, shall, for all purposes of this 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 this Constitution as to payment of interest, forfeiture or otherwise shall apply as if such sum were a call duly made and notified. | Term of issue may be treated as call |
| 32. | If any sum in respect of a call is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment, at such rate as the Directors may determine provided however the Directors may waive payment of such interest in whole or in part. | Interest on calls in arrears |
| 33. | No member shall be entitled to receive any dividend or to exercise any rights or 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). | Calls to be fully paid before receiving dividend |
| 34. | The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys payable in respect of any share held by him beyond the amount of the calls actually made thereon and upon the moneys so advanced, or so much thereof as shall from time to time exceed the amount of the calls due upon such shares, the Company may pay interest at such rate as may be agreed between the member paying the sum in advance and the Directors. Any capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits. Except in liquidation, sums paid in advance of calls shall not, until the same would but for such advance have become payable, be treated as paid up in the shares in respect of which they have been paid. | Payment of calls in advance |

FORFEITURE AND SURRENDER OF SHARES

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| 35. | If any member fails to pay the whole or any part of any call on the day appointed for the payment thereof, the Directors may at any time thereafter during such time as the call or any part thereof remains unpaid, serve a notice on him requiring him to pay such call or such part thereof as remains unpaid, together with any interest which may have accrued. | Notice to pay calls |
| 36. | The notice shall name a further day (not being less than fourteen (14) days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time and at the place appointed the shares in respect of which such call was made will be liable to be forfeited. | Period of notice |
| 37. | 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. | Forfeiture for non-payment |

38. A share so forfeited or surrendered shall become the property of the Company and may be re-sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture 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. **Shares forfeited belongs to the Company**
39. A person whose shares have been forfeited or surrendered shall cease to be a member in respect of the forfeited or surrendered shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture or surrender were payable by him to the Company in respect of the shares (together with interest at such rate as the Directors may determine from the date of forfeiture or surrender on the money for the time being unpaid if the Directors think fit to enforce payment of such interest) but his liability shall cease if and when the Company receives payment in full of all such moneys in respect of the shares. **Liability on forfeiture**
40. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly forfeited or surrendered or sold to satisfy a lien on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and the Directors may authorise some person to execute a transfer of the share in favour of the person to whom the share is sold or otherwise disposed of and he shall thereupon be registered as the 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. Subject to any lien for sums not presently payable, if any, any residue of the proceeds of the sale of shares which are forfeited and sold, after the satisfaction of the unpaid calls or installments payable at fixed times and accrued interest and expenses, shall be paid to the persons entitled to the shares immediately before the forfeiture thereof or his executors, administrators or assignees or as he directs. **Statutory Declaration as conclusive evidence**
41. The provisions of this Constitution as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, 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. **Application of forfeiture provision**
42. When any share has been forfeited in accordance with this Constitution, notice of the forfeiture shall forthwith be given to the holder of the share or to the person entitled to the share by reason of the death or bankruptcy as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof shall forthwith be made in the Register opposite to the share. **Notice of forfeiture to be given and entered in the Register**

LIEN

43. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys 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 to the Company, but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Constitution. The Company's lien, if any, on a share shall extend to all dividends payable thereon and to such amounts as the Company may be called upon by law to pay 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. **Company's lien on shares**
44. 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) clear 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. **Power to enforce lien by sale**
45. The proceeds of any such sale after payment of the amount of interests and costs relating to the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale or his executors, administrators or assignees or as he directs. **Application of proceeds of sale**

TRANSFER OF SHARES

46. Subject to this Constitution, the Act, the Central Depositories Act and the Rules (with respect to transfer of Deposited Security) shares in the Company which have been deposited with the Bursa Depository shall be transferable but every transfer be by way of book entry by the Bursa Depository in accordance with the Rules of the Depository and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act, and any exemption that may be made from the compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of listed securities. **Transfer of securities by way of a book entry**

47. Where: – **Transmission of securities**
- (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 Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules of the Bursa Depository in respect of such securities,
- the Company shall, upon request by 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.
48. (1) Subject to the Central Depositories Act and the Rules of the Depository, the Directors may in their absolute discretion and without assigning any reason thereof authorise its registrar to cause the Bursa Depository to decline to register any transfer of share upon which the Company has a lien or which are not fully paid-up. **Refusal to register transfer**
- (2) Subject to the Central Depositories Act and the Rules of the Depository, the Directors may also authorise its registrar to cause the Bursa Depository to decline to register any transfer unless such other evidence as the Director may reasonably require to show the right of the transferor to make the transfer is deposited at such place as the Directors may appoint.
49. The Register of Members may be closed at such time and for such period as the Directors may from time to time determine Provided Always that they shall not be closed for more than thirty (30) days in any year. Any notice of intention to fix a books closing date and the reason therefor shall be published in a daily newspaper circulating in Malaysia and shall also be given to the Bursa Securities, such notice shall state the books closing date, which shall be at least ten (10) market days after the date of notification to the Bursa Securities, or such other period as may be prescribed by Bursa Securities from time to time and the address of the share registry at which documents will be accepted for registration. In relation to such closure, the Company shall give written notice, in accordance with the Rules of the Depository to issue the appropriate Record of Depositors. **Closing of Register**
50. There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title of any shares, such fee, not exceeding Ringgit Malaysia Three (RM3.00) or such other sum as may be permitted by the Bursa Securities and/or such other fee as may be permitted by relevant law and as the Directors may from time to time require or prescribe. **Registration of documents relating to title of shares**
51. Nothing in this Constitution shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person. **Renunciation of allotment by the allottee**
52. All transfer of securities deposited with Bursa Depository, including but not limited to the Deposited Security, shall be in compliance with the relevant laws and rules and Central Depositories Act. **Deposited securities**

TRANSMISSION OF SHARES

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| 53. | In the case of death of a member, the legal personal representatives of the deceased shall be the only person recognised by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased share holder from any liability in respect of any share which had been held by him. | Death of holder of shares |
| 54. | 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 member in respect of such shares or to have some person nominated by him registered as transferee thereof but the Directors shall in either case have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy. Before recognising any executor or administrator, the Directors may require him to take out probate or letters of administration as evidence. Provided Always that where the share is a Deposited Security, a transfer or withdrawal of the share may be carried out by the person becoming so entitled, subject to the Rules of the Depository. | Rights on death or bankruptcy |
| 55. | 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 Always that where the shares is a Deposited Security and the person so becoming entitled elects to have the share transferred to him, the aforesaid notice must be served by him on the Bursa Depository. If he elects to have another person registered, he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of this Constitution relating to the 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. | Election with regard to registration |
| 56. | A person entitled to shares in consequence of the death or bankruptcy of a member shall be entitled upon the production of such evidence as may from time to time be properly required by the Directors in that behalf to receive and may give a discharge for all dividends and other moneys payable in respect of the shares, but he shall not be entitled to receive notice of or to attend or vote at any meeting, or, save as aforesaid, to exercise any of the rights and privileges of a member, unless and until he shall have become a member in respect of the shares. | Person entitled to receive and give discharge for dividends |

CONVERSION OF SHARES INTO STOCKS

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| 57. | The Company may by ordinary resolution convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination. | Conversion of shares into stocks |
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58. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit; provided however that the Directors may from time to time, if they think fit, fix the minimum amount of stock transferable, and direct that fractions of a Ringgit Malaysia or of any other sum shall not be dealt with, with power nevertheless, at their discretion to waive such stipulations in any particular case and provided further that the minimum amount of stock transferable shall not exceed the nominal amount of the shares from which the stock arose.

Holder of stocks may transfer their interest

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

Participation in dividends and profits

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

Application of these Articles

INCREASE OF CAPITAL

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

Increase of share capital

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

Issue of new shares to existing members

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

New capital to be considered as part of the current share capital of the Company

ALTERATION OF CAPITAL

64. (1) The Company may from time to time by special resolution –
- (a) consolidate and divide all or any of its share capital, the proportion between amount paid and the amount unpaid on each subdivided shares shall be the same as it was in the case of shares form which the subdivided share is derived;
 - (b) sub-divide its shares or any of them (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. Any resolution whereby 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 its share capital by the amount of the shares so cancelled; or
 - (d) convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares.
- (2) The Company may by special resolution reduce its share capital whether in confirmation by the court or supported by solvency statement, in any manner permitted or authorised under and in accordance with the Applicable Laws.

Consolidation, Sub-division and cancellation of shares

Reduction of capital

GENERAL MEETINGS

65. The Company shall in each year hold an annual general meeting in addition to any other meetings in that year, within six (6) months of the Company's financial year end and not more than fifteen (15) months after the last preceding annual general meeting. An Annual General Meeting of the Company shall be held in accordance with the provision of the Act.

Annual general meetings

66. All meetings of members shall be held within Malaysia at such time, day and place as the Directors shall determine. The Chairman shall be present at that main venue of the meeting. 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.
- Such meeting of its members may be held within Malaysia at more than one venue using any technology that allows all members a reasonable opportunity to participate.
67. A general meeting or Meeting of Members other than an annual general meeting shall be convened on such requisition as referred to in Section 311 of the Act or if the Company makes default in convening a meeting in compliance with a requisition received pursuant to Section 311 of the Act, a meeting may be convened by the requisitionists themselves in the manner provided in Section 313 of the Act. Any meeting convened by requisitionist shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Board.
68. (1) The notices convening meetings shall specify the place, day and hour of the meeting, and shall be given to all members at least 14 days before the meeting or at least 21 days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least 14 days' notice or 21 days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting must be given by advertisement in at least 1 nationally circulated Bahasa Malaysia or English daily newspaper and in writing to the Bursa Securities upon which the Company is listed.
- (2) The Company shall request the Bursa Depository in accordance with the Rules of the Depository, to issue the Record of Depositors to whom notices of general meetings shall be given by the Company.
- (3) The Company shall also request the Bursa 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 3 market days before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors"). 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.
69. Subject always to the provisions of the Act, no business shall be transacted at general meeting except business of which notice has been given in the notice convening the meeting.

**Convening of
general
meetings**

**Requisition of
Meetings**

**Notice of
meetings**

**Business at
meetings of
members**

70. 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 at a meeting of a Company, or at a meeting of any class of members of the Company shall be entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting and is entitled to appoint up to two proxies to attend and vote instead of him, and there is no restriction as to the qualification of the proxy and that where a member appoints up to two proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. A proxy appointed to attend and vote instead of a member shall also have the same right as the member to speak, vote, attend and participate at the meeting. **Right to appoint proxy**
71. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. **Appointment of proxies**
72. 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. **Omission to give notice**
73. Where by the Act special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty-eight (28) days before the meeting at which it is moved and the Company shall give its members notice of any such resolution at the same time and in the same manner as it gives notice of the meeting or, if that is not practicable shall give them notice thereof, in any manner allowed by this Constitution, not less than fourteen (14) days before the meeting, by advertising it in one (1) widely circulated newspaper in Malaysia in the Bahasa Malaysia and one (1) widely circulated newspaper in Malaysia in the English language, but if after notice of the intention to move such a resolution has been given to the Company, a meeting is called for a date twenty-eight (28) days or less after the notice has been given the notice although not given to the Company within the time required by this Constitution shall be deemed to be properly given. **Resolution requiring special notice**

PROCEEDINGS AT GENERAL MEETINGS

74. All business that is transacted at any general meeting and also all business that is transacted at an annual general meeting shall be deemed special, with the exception of the laying of Audited Financial Statements and Reports of Directors and Auditors of the Company, the fixing of Directors’ Fees, the declaration of dividends, the election of Directors and other officers in the place of those retiring and the appointment of, and the approval of Directors’ fees and the fixing of the remuneration of the auditors. **Special business**
75. No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. For all purposes, two (2) members present in person or by proxy, or, in the case of corporations which are members, present by their representatives appointed pursuant to the provision of this Constitution and entitled to vote shall be a quorum. **Quorum**

76. If within half an hour after the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of members, shall be dissolved. If otherwise convened, it shall stand adjourned to the same day in the next week (or if that day be a public holiday, then to the next business day following such public holiday), at the same time and place or to such other day and at such other time and place as the Directors may determine, but if a quorum is not present within fifteen (15) minutes from the time appointed for holding the adjourned meeting, the member or members present at an adjourned meeting shall form a quorum.
- Proceeding of quorum not present**
77. 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 be no such Chairman or Deputy Chairman, or if neither of them be present within fifteen (15) minutes after the time appointed for holding the meeting, or both of them shall decline to take or shall retire from the chair, or the Chairman of the general meeting is removed by the members, the Directors present shall choose one (1) of their number to act as Chairman of such meeting, and if there be no Director chosen who shall be willing to act, the members present in person or by proxy and entitled to vote shall choose one (1) of their own number to act as Chairman at such meeting.
- Chairman of the general meeting**
78. The Chairman may, with the consent of the meeting at which a quorum is present and if directed by the meeting shall, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- Chairman may adjourn meeting and notice of adjournment to be given**
79. A resolution put to vote at any meeting of Members shall be determined by poll. A poll shall be taken in such manner and either forthwith or after an interval or adjournment or otherwise as the chairperson directs and the result of the poll shall be the resolution of the meeting at which the poll was taken, but a poll demanded on the election of chairperson or on a question of adjournment shall be taken immediately. The Company shall appoint at least one (1) independent scrutineer for the purposes of a poll in accordance with the Applicable Laws, and may, in addition to the power of adjourning meetings contained in the Constitution hereof adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll.
- Polls**
80. The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to demand, or join in demanding a poll, and, for the purposes of the last preceding Clause, a demand by a person as proxy for a member shall be the same as a demand by the member.
- Proxies' right to demand a poll**
81. If any votes shall have been counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting or at any adjournment thereof and unless in the opinion of the Chairman at the meeting or any adjournment thereof as the case may be, it shall be of sufficient importance to vitiate the result of the voting.
- Counting of votes**

VOTES OF MEMBERS

82. In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote. **Chairman's casting vote**
83. (1) Subject to 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 any share upon which all calls due to the Company have been paid. **Voting rights**
- Subject to this Constitution and to any rights or restrictions for the time being attached to any shares or classes of shares, at meetings of Members or classes of Members, each Member entitled to vote may vote in person or by proxy or by attorney. On a resolution to be decided by a poll, every Member voting in person or by proxy or by attorney shall have one (1) vote for each share he holds.
- (2) Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such a manner that a unit of capital in each class, when reduced to a common denominator shall carry the same voting power when such right is exercisable. **Shares of different monetary denominations**
- (3) On a resolution to be decided on a show of hands, a holder of ordinary shares or preference shares who is personally present and entitled to vote shall be entitled to one (1) vote. **Voting rights on a show of hands**
84. Subject to the provisions of Section 333 of the Act, any corporation which is a Member, may by resolution of its directors or other governing body, authorise such person(s) as it thinks fit to act as its representative(s) at all meetings of Members and a person so authorised shall in accordance with his authority and until his authority is revoked by the corporation be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member. **Corporate Representative**
85. 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 as properly has the management of his estate. Any one of such persons may vote either personally or by proxy or by attorney PROVIDED such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty-eight (48) hours before the time appointed for holding the meeting. **Votes of members of unsound mind**
86. The legal personal representative of a deceased member or the person entitled under the Clauses 53 & 56 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. **Votes of legal personal representatives of members**

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| 87. No member shall be entitled to be present or to vote at any general meeting or to exercise any privilege as a member nor be counted as one (1) of the quorum unless all calls or other sums immediately payable by him in respect of shares in the Company have been paid. | Members in default |
| 88. 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. | Time for objection of any voter's qualification |
| 89. The chairperson of the meeting declares whether or not the resolutions put to vote at a meeting of Members are carried, based on the poll results, which show the total number of votes cast on the poll (together with the percentage) in favour of and against the resolution, as announced by the scrutineer. | Evidence of passing of resolutions |
| 90. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. | Instrument of proxy |
| 91. The instrument appointing a proxy shall be in the following form or in such other form as the Directors may approve or in any particular case may accept: | Form of proxy |

TONG HERR RESOURCES BERHAD

PROXY FORM

No of ordinary shares held

I/We.....(*NRIC No./ Company No.....) of
.....
being a Member/Members of TONG HERR RESOURCES BERHAD hereby appoint* the Chairman of the
meeting or (*NRIC No./Passport No.....)
of..... or failing him
..... (*NRIC No./Passport No.....) of
..... as *my/our proxy/proxies to attend and vote for *me/us
and on *my/our behalf at the (Annual General Meeting or Meeting of Members as the case may be) General
Meeting of the Company, to be held at
on the day ofand, at every adjournment thereof to vote as indicated below:

	For	Against
Resolution No.		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion)

The Proportions of my holdings to be represented by my *proxy/proxies are as follows:-

First named Proxy	%
Second named Proxy	%

	100%
	=====

As witness my hand this day of 20 ..

** Strike out whichever is not desired.*

92. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the Office or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, at which the person named as proxy in such instrument proposes to vote, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid or in such other period(s) as may be provided or permitted under the Applicable Laws and stipulated in the form of proxy or in the notice of meetings. **Deposit of proxy**
93. 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 under 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 at which the instrument is used. **Proxy irrevocable unless notice received by the Company**

DIRECTORS

94. Until otherwise determined by the Company in general meeting the number of Directors shall not be less than two (2) nor more than fifteen (15) but in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum the remaining Directors or Director may act for the purpose of filling up such vacancy or vacancies or of summoning a general meeting of the Company. **Number of Directors**
95. 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. **Share qualification of the Directors**
- (1) At the first annual general meeting of the Company, all the Directors shall retire from office and an election of directors shall take place each year. At the annual general meeting in every subsequent year, one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office. Provided Always that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires. **Rotation and retirement of Directors**
- (2) The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

96. 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 nine (9) clear days' notice only shall be necessary and notice of every candidate for election shall be served on all members at least seven (7) days prior to the meeting at which the election is to take place.
- Notice of nomination of Director**
97. The Company at the meeting at which a Director retires may fill the vacated office by electing a person thereto. Unless at that meeting it is expressly resolved not to fill the vacated office or a resolution for 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, the retiring Director shall, if offering himself for re-election and not being disqualified under the Act from holding office as a Director, be deemed to have been re-elected. A retiring Director shall be deemed to have offered himself for re-election unless he has given notice in writing to the Company that he is unwilling to be re-elected.
- When the retiring Director deemed Re-elected**
98. 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.
- No appointment of Directors by single resolution**
99. The Company may from time to time by ordinary resolution passed at a general meeting increase or reduce the number of Directors, and may also determine in what rotation the increased or reduced number is to go out of office, provided that such number is not less than the minimum requirement set out in the Listing Requirements.
- Number may be increased or decreased**
100. (1) A Director may appoint a person (other than a Director) approved by a majority of his co-Directors to act as his alternate Provided That any fee paid by the Company to the alternate shall be deducted from that Director's remuneration. The alternate Director shall be entitled to notices of all meetings and to attend, speak and vote at any such meeting at which his appointor is not present. Any appointment so made may be revoked at any time by the appointor or by a majority of the Directors, and any appointment or revocation under this Clause shall be effected by notice in writing to be delivered to the Secretary of the Company. An alternate Director shall ipso facto cease to be an alternate Director if his appointor for any reason ceases to be a Director. A Director may only be appointed as an alternate Director to one Director at any point in time.
- Alternate Directors**
- (2) If any Director retires by rotation and is re-elected by the meeting or is, pursuant to this 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.

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

**Removal of
Directors**

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

**Appointment
by the Board of
Directors**

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

Remuneration

- (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, but may included a commission on or percentage of profits;
- (c) fees of Directors, and any benefits payable to Directors shall be subject to annual shareholders' approval at a general meeting; and
- (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

104. (1) The Directors shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings of members or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.

**Reimburse-
ment and
special
remuneration**

- (2) If by arrangement with the 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 Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged.

105. The office of a Director of the Company shall, be vacated if the person holding that office –
- (a) resigns by given a written notice to the Company at its Registered Office;
 - (b) has retired in accordance with this Act or this Constitution of the Company but is not re-elected;
 - (c) is removed from office in accordance with this Act or Constitution of the Company;
 - (d) becomes disqualified from being a director in accordance with the Act;
 - (e) dies; or
 - (f) otherwise vacates his office in accordance with this Constitution of the Company.

**Vacation of
Office of
Directors**

POWERS AND DUTIES OF DIRECTORS

106. The business and affairs of the Company shall be managed by, or under the direction of the Board. The Board shall have all powers necessary for managing, directing and supervising the management of the business and affairs of the Company subject to any modification, exception or limitation contained in the Act, the Applicable Laws and the Company's Constitution, and may pay all expenses incurred in promoting and registering the Company and exercise all such powers of the Company as are not, by the Act or by this Constitution required to be exercised by the Company in a meeting of Members, subject, nevertheless, to the Applicable Laws, to any provisions of this Constitution, to the provisions of the Act and to such regulations, being not inconsistent with the Applicable Laws, this Constitution or the provisions of the Act as may be prescribed by the Company in a meeting of Members but no regulation made by the Company in a meeting of Members shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

**Business of
Company to be
managed by the
Board**

107. Subject to the Act, the Directors shall not without the prior approval of the Company in general meeting –

Approval of the Company required

- (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, as defined in the Act; or
- (b) exercise any power of the Company to issue shares unless otherwise permitted under the Act; or
- (c) carry into effect any arrangement or transaction where the Director or the substantial members of the Company or its holding Company or a person connected with such a Director or substantial members acquires or is to acquire from or disposes or is to dispose to the Company, any shares or non-cash assets of the requisite value as defined in the Act.

108. (1) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or subsidiary Company or associate Company or of any related third party subject to the Act and Applicable Laws Provided Always that nothing contained in this Constitution shall authorise the Directors to borrow any money or mortgage or charge any of the Company's undertaking, property or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

Directors' borrowing power

(2) The Directors shall cause a proper register to be kept in accordance with Section 362 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 352 of the Act in regard to the registration of mortgages and charges therein specified and otherwise.

Duty to keep register of charges

(3) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

109. The Directors may procure the establishment and maintenance of any non-contributory or contributory pension or superannuation fund or life assurance scheme for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to, any persons who are or shall have been at any time in the employment or service of the Company or any associated Company or to any persons who are or have been a Director or other officer of and holds or have held salaried employment in the Company or any associated Company, or the wives, widows, families or dependants of any such persons. The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or of its members and payment for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibitions or for any public, general or useful object. Provided that any Director holding such salaried employment shall be entitled to retain any benefit received by him hereunder subject only where the Listing Requirements/Act requires, to proper disclosure to the members of the Company in general meeting. In this Clause the expression "the associated Company" shall include any Company which is the holding Company of the Company or a subsidiary of the Company or of any such holding Company or which in the opinion of the Directors can properly be regarded as being connected with the Company or with any such Company as aforesaid.
- Establishment and maintenance of any pension, superannuation fund or life assurance schemes for the benefit of the employees of the Company**
110. The Directors may from time to time, and at any time, by power of attorney, appoint any corporation, firm or person or body of persons, whether nominated directly or indirectly by the Directors to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (including power to sub-delegate but not exceeding those vested in or exercisable by the Directors under this 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.
- Director's power to appoint attorney of the Company**
111. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors may from time to time determine by resolution.
- Cheques, bills etc.**
112. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company with regard to his tenure of any such office or place of profit in any other respect nor shall any such contract, or any contract or arrangement entered into by or on behalf of any Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established Provided Always that Sections 221 and 228 and all other relevant provisions of the Act and this Constitution are complied with.
- Right to hold other office under the Company**

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| 113. 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 was not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as auditor of the Company. | Right to payment for professional services |
| 114. 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 cause detriment to the Company. | As to the duty and liability of the Director |
| 115. 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. | General duty to make disclosure |

MINUTES AND REGISTERS

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| 116. The Directors shall cause minutes to be duly entered in books provided for the purpose -

(a) of all appointments of officers;

(b) of the names of all the Directors present at each meeting of the Directors and of any Committee of Directors and of the Company in general meeting;

(c) of all resolutions and proceedings of general meetings and of meetings of the Directors and Committees of Directors; and

(d) of all orders made by the Directors and any Committee of Directors. | Minutes |
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Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.

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| 117. The Company shall in accordance with the provisions of Section 57 of the Act, keep at the Office a register containing such particulars with respect to the Directors, Managers and Secretaries of the Company as are required by and shall from time to time notify the Registrar of Companies of any change in such register and of the date of such change in manner prescribed by that section. | Register of Directors, Managers and Secretaries |
| 118. The books containing the minutes of proceedings of any general meeting shall be kept by the Company at the Office, and shall be open to the inspection of any member without charge. | Minute books in registered office |

119. 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 members 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.

**Register of
shareholders
and particulars
of Directors'
shareholding**

PROCEEDINGS OF DIRECTORS

120. 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. Directors may participate in a meeting of Directors by means of a conference telephone or similar electronic telecommunicating equipment by means of which all persons participating in the meeting can hear each other and participate throughout the duration of the communication between the Director and participants in a meeting pursuant to the provision shall constitute presence in person at such meeting.
121. Unless otherwise determined by the Directors from time to time, at least seven (7) days' notice of all Directors' meetings shall be given by hand, post or facsimile or other form of electronic communications to all Directors and their Alternate Directors who have a registered address in Malaysia, except in the case of an emergency, where reasonable notice of every Directors' meeting shall be given in writing. It shall not be necessary to give any Director or Alternate Director, who does not have an address in Malaysia, registered with the Company, notice of a meeting of the Directors by hand or by post. Any Director may waive notice of any meeting either prospectively or retrospectively. The notice of each Directors' meeting shall be deemed to be served on a Director upon delivery if delivered by hand, or immediately if sent by facsimile or other form of electronic communications or if sent by post, two (2) days following that on which a properly stamped letter containing the notice is posted.
122. The quorum necessary for the transaction of the business of the Directors shall be two (2).
- The Chairman of the meeting shall have a second or casting vote, except in situation 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.
123. Subject to this Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a decision of the Board and Provided Always that in the case of an equality of votes, the chairperson of the meeting shall have a second or casting vote. However, in the case of an equality of votes and where two (2) Directors form a quorum, the chairperson of a meeting at which only such a quorum is present or at which only two (2) Directors are competent to vote on the question at issue, shall not have a casting vote.

**Directors'
meeting**

**Notice of
meeting**

Quorum

**Chairman to
have casting
vote**

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| 124. The remaining Directors or sole remaining Director may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the minimum number fixed by or pursuant to this Constitution as the necessary quorum of Directors, the remaining Director or Directors may, except in an emergency, act only for the purpose of increasing the number of Directors to that minimum number or of summoning a general meeting of the Company, but for no other purposes. | Number of Directors reduced below minimum |
| 125. A Director may at any time and the Secretary shall on the requisition of a Director summon a meeting of the Directors. | Power to convene meetings |
| 126. The Directors may from time to time elect and remove a Chairman and Deputy Chairman of the Board of Directors and determine the period for which they are respectively to hold office. The Chairman so elected, or in his absence the Deputy Chairman, shall preside at all meetings of the Directors but if no such Chairman or Deputy Chairman be elected, or if at any meeting the Chairman or Deputy Chairman be not present within five (5) minutes after the time appointed for holding the same, the Directors present shall choose one (1) of their number to act as Chairman of such meeting. | Chairman and Deputy Chairman |
| 127. Every Director shall comply with the provisions of Sections 221 and 228 of the Act in connection with the disclosures 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. | Disclosure of interest in contracts, property, offices etc. |
| 128. No Director shall vote in regard of any contract or proposed contract or arrangement in which he has, directly or indirectly, a personal interest, and if he should do so his vote shall not be counted. | Directors refrained from voting in interested transactions |
| 129. A Director, notwithstanding his interest may, provided that none of the other Directors present disagree, be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under 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 under any other Company or whereat the terms of any such appointment as hereinafter mentioned are considered or where any decision is taken upon any contract or arrangement in which he is in any way interested Provided Always that he has complied with Section 221 and all other relevant provisions of the Act and of this Constitution. | Director Appointed at a meeting to hold other office to be counted in the quorum |

130. A Director may vote in respect of –

Director may

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

Vote on the Giving of security or indemnity where he is interested

131. A Director may be or become Director or other officer of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as members or otherwise, or any corporation, which is directly or indirectly interested in the Company as members 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 them Directors or other officers of such corporation) and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or is about to be appointed a Director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid Provided Always that he has complied with Section 221 all other relevant provisions of the Act and of this Constitution.

Director may become directors or other officers of any corporation promoted by the Company

COMMITTEES OF DIRECTORS

132. (1) The Directors may establish any committees, local boards or agencies, comprising of one (1) or more persons, for managing any of the affairs of the Company, either in Malaysia or elsewhere, and may lay down, vary or annul such rules and regulations as they may think fit for the conduct of the business thereof, and may appoint any persons to be members of any such committee or local board, or any managers or agents, and may fix their remuneration, and may delegate to any such committee, local board, manager or agent any of these powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any such committee or local board, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no persons dealing in good faith without notice of any such annulment or variation shall be affected thereby.

Directors may establish committees etc.

(2) A resolution in writing signed or approved by letter, telegram, telex or telefax by such member of the members of a committee or local board sufficient to form a quorum as may be prescribed by Directors upon the establishment thereof, shall be as valid and effectual as if it had been passed at a meeting of the meeting of that committee or local board duly called and constituted.

Directors may establish committees etc.

(3) All such resolutions shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's minutes book. Any such resolution may consist of several documents in like form, each signed by one or more written instruments (including faxes) or one or more electronic communications or a combination of them (provided that such written instrument and electronic communication (if more than one) is to the same effect.

133. The meetings and proceedings of any such committee shall be determined by the Directors.

Meetings of the committee

VALIDATION OF ACTS OF DIRECTORS

134. 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.

Validity of the acts of Directors or committee

CIRCULAR RESOLUTIONS

135. A resolution in writing signed or approved by letter, legible confirmed transmission by facsimile or other forms of electronic communication by a majority of the Directors 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 so present but has an alternate who is so present, then such resolution shall also be signed by such alternate. All such resolutions shall be described as "Directors' Circular Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's minutes book. Any such resolution may consist of several documents in like form or one or more written instruments (including faxes) or one or more electronic communications or a combination of them (provided that such written instrument and electronic communication (if more than one) is to the same effect, each signed by one or more Directors or their alternates.

Circular resolution

MANAGING DIRECTORS AND DEPUTY MANAGING DIRECTORS

136. (1) The Directors may from time to time appoint any one or more of their body to be-

- (a) Managing Director; and/or
- (b) Deputy Managing Director.

Directors may appoint Managing Director and Deputy Managing Director

(2) Subject to the Listing Requirements, any such appointment shall be for such period not exceeding three (3) years subject to reappointment and on such terms as they think fit, and may vest in such Managing Director and/or Deputy Managing Director as may be appointed by them such of the powers hereby vested in the Directors generally as they may think fit. The Managing Director and the Deputy Managing Director shall be subject to the control of the Board of Directors.

**Term of
appointment**

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

Remuneration

ASSOCIATE DIRECTORS

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

**Directors may
appoint
associate
directors**

THE SECRETARY

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

The Secretary

SEAL

140. The Directors shall provide for the safe custody of the Seal, which shall only be used pursuant to a resolution of the Directors, or a committee of the Directors authorised to use the Seal. The Directors may from time to time (subject to the provisions of Section 61 of the Act) 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 (subject to Section 61 of the Act) be signed by a Director and by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose Provided Always that no person dealing with the Company shall be concerned to see or enquire as to whether any regulations so made have been complied with.

**The custody
and the affixing
of the Seal**

141. The Company may also have an official seal to seal securities issued by the Company or any documents creating or evidencing securities so issued as pursuant to Section 63 of the Act. The official seal shall be an exact copy of the Company's common seal, with the addition on its face of the words "Securities" and when duly affixed to the document has the same effect as the Company's common seal. The share seal is a duplicate or facsimile of the Seal with the addition on its face of the words "Security Seal" which is specifically affixed onto certificates that may be issued by the Company for any share, stock, loan stock, debentures as defined in the Act, or other marketable security created or issued by the Company.
- The share seal**

SEAL FOR USE ABROAD

142. 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.
- Seal for use abroad**

The official seal shall be an exact copy of the Company's common seal, with the addition on its face of the place where it is to be used. The official seal when duly affixed to a document has the same effect as the Company's common seal. A Company having an official seal for use outside Malaysia may in writing under its common seal authorise any person appointed for the purpose to affix the official seal to any deed or other document to which the Company is a party. The person affixing the official seal shall certify in writing on the deed or other document to which the seal is affixed the date and place it is affixed.

RESERVES

143. 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 this 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.
- Creation of reserve fund**

DIVIDEND

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| 144. | The profits of the Company available for dividend and determined to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities if the Company is solvent, but no dividend shall exceed the amount as authorised by the Board. The Company in general meeting may declare dividends accordingly. | Distribution of Dividend |
| 145. | The Company may only make a distribution to the members/ shareholders out of profit if the Company is solvent. Without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided, no dividend shall be paid otherwise than out of profits nor shall any dividend or other moneys payable on or in respect of any share bear interest against the Company and no dividend shall be paid in excess of the amount recommended by the Directors. | Dividends payable from profits only |
| 146. | Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividends are paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Constitution as paid up on the share. All dividends shall be apportioned and paid pro-rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid except that if any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) as from a particular date, such share shall rank for dividend accordingly. | Dividends in proportion to amounts paid up |
| 147. | Directors act bona fide they shall not incur any responsibility 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. | Interim Dividends |
| 148. | (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. | Debts may be deducted from dividends |
| | (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. | Power to retain dividends on which the Company has a lien |
| 149. | Subject to the provisions of the Act where any asset, business or property is bought by the Company as from a past date upon the terms that the Company shall as from that date take the profits or bear the losses thereof, such profits or losses as the case may be, shall, at the discretion of the Directors, be credited or debited wholly or in part to revenue account, and in that case the amount so credited or debited shall, for the purpose of ascertaining the fund available for dividend, be treated as a profit or loss arising from the business of the Company and available for dividend accordingly. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest such dividend or interest when paid may at the discretion of the Directors be treated as revenue and it shall not be obligatory to capitalise the same or any part thereof. | Asset, business or property bought by the Company be credited or debited to the revenue account of the Company |

150. The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same. **Power to retain dividends in respect of transmission of shares**
151. All dividends unclaimed for one (1) year after having been declared may be disposed off in accordance with the provisions of the Unclaimed Moneys Act, 1965. **Unclaimed dividends**
152. A transfer of shares shall not pass the right to any dividend declared on such shares before the registration of the transfer provided that any dividend declared on Deposited Securities shall accrue to the Depositors whose names appear on the Record of Depositors issued to the Company or the Company's Registrar pursuant to the Rules of the Depository. **Transfer not to affect right to dividend declared before registration**
153. The receipt of a single person appearing in the Register to be the holder of any shares shall be a sufficient discharge to the Company for any dividend or other moneys payable in respect of such shares. **Receipt from holder to be binding.**
154. Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder who is named on the Register or to such person and to such address as the holder may in writing direct or by way of telegraphic transfer or electronic transfer or remittance to such account as designated by such holder or the person entitled to such payment. **Mode of payment of dividend**
- Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall be made payable to the order of the person to whom it is sent and the payment of any such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall operate as a good and full discharge to the Company in respect of the payment represented thereby, notwithstanding that in the case of payment by cheque or warrant, it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall be sent at the risk of the person entitled to the money thereby represented.
155. Any general meeting declaring a dividend or bonus may upon the recommendation of the Directors, direct payment of such dividend or bonus wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debenture or debenture stock of any other 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 the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustee upon such trusts for the persons entitled to the dividend as may seem expedient to the Directors. **Power to distribute dividend in specie**

CAPITALISATION OF PROFITS

156. Subject to the Act and the Applicable Laws, the Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution provided that such sum be not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, to members only in proportion and the Directors shall give effect to such resolution.
- Capitalisation of profits**
157. Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.
- Appropriation and allotment**

ACCOUNTS

158. The Directors shall cause proper accounting and other records to be kept and shall distribute copies of audited financial statements and other documents as required by the Act and shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting and other records of the Company or any of them shall be open to the inspection of members not being Directors, and no 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 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.
- Directors to keep proper accounts**

159. The Directors of the Company shall prepare financial statements in accordance with Section 248 of the Act within: -
- a) eighteen (18) months from the date of its incorporation; and
 - b) subsequently, within six (6) months of its financial year end.
160. Save as may be necessary for complying with the provisions of the Act or as the Company may by special resolution otherwise resolve, the Directors shall not be bound to publish any list or particulars of the securities or investments held by the Company or to give any information with reference to the same to any member.

Preparation and circulating audited financial statements and reports

Lists or particulars of securities or investments

AUDIT

161. The Auditors shall be appointed for each financial year by Ordinary Resolution at the annual general meeting of the Company in accordance with Section 271 of the Act.
162. The Auditors shall attend every annual general meeting where the financial statements of the Company are to be laid, so as to respond according to his knowledge and ability to any question relevant to the audit of the financial statements in accordance with Section 285 of the Act.

Appointment of auditors

Attendance of Auditors at general meeting where financial statements are laid

LANGUAGE

163. Where any financial statements, minutes 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 financial statements, minutes books and other records to be made from time to time at intervals of not more than seven (7) days and shall cause such translation to be kept with the original financial statements, minutes books and other records for so long as the original accounts, minutes books and other records are required by the Act to be kept.

Language

DESTRUCTION OF DOCUMENTS

164. The Company shall be entitled to destroy all instruments of transfer which shall have been registered at any time after a reasonable time from the date of registration thereof, and all share certificates and dividend mandates which have been cancelled or have ceased to have effect at any time after the expiration of one year from the date of cancellation or cessation thereof, and all notifications of change of name or address after the expiration of one year from the date they were recorded, and in favour of the Company it shall conclusively be presumed that every entry in the register which purports to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every share certificate so destroyed was a valid certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company provided that -

Company may destroy documents

- (a) the foregoing provisions of this Constitution shall apply only to the destruction of a document in good faith and without express notice that the preservation of such document was relevant to a claim;
- (b) nothing contained in this Constitution shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company but for the provisions of this Constitution; and
- (c) reference in this Constitution to the destruction of any document include references to its disposal in any manner.

AUTHENTICATION OF DOCUMENTS

165. Any Director or the Secretary or any person appointed by the Board 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 Board and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and, where any books, records, documents or accounts are kept elsewhere other than in the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Board as aforesaid.
- Appointed persons**

NOTICES

166. Service of notices and/or documents
- Notices**
- Any notice or document required to be sent to Members may be given by the Company or the Secretary to any Member:-
- (a) in hard copy, either personally or sent by post to him in a prepaid letter addressed to him at his last known address;
 - (b) in electronic form, and sent by the following electronic means:-
 - (i) transmitting to his last known electronic mail address; or
 - (ii) publishing the notice or document on the Company's website provided that a notification of the publication of the notice or document on the website via hard copy or electronic mail or short messaging service has been given in accordance with Section 320 of the Act and the Applicable Laws; or
 - (iii) using any other electronic platform maintained by the Company or third parties that can host the information in a secure manner for access by Members provided that a notification of the publication or availability of the notice or document on the electronic platform via hard copy.

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

**When service
deemed effected**

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

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

(i) via electronic mail, at the time of transmission to a Member's electronic mail address pursuant to this Clause 166(b)(i), provided that the Company has record of the electronic mail being sent and that no written notification of delivery failure is received by the Company;

(ii) via publication on the Company's website, on the date the notice or document is first made available on the Company's website provided that the notification on the publication of notice or document on website has been given pursuant to this Clause 166(b)(ii); or

(iii) via electronic platform maintained by the Company or third parties, on the date the notice or document is first made available thereon provided that the notification on the publication or availability of the notice or document on the relevant electronic platform has been given pursuant to this Clause 166(b)(iii).

In the event that service of a notice or document pursuant to this Clause 167 is unsuccessful, the Company must, within two (2) market days from discovery of delivery failure, make alternative arrangements for service by serving the notice or document in hard copy in accordance with this Clause 166(a) hereof.

168. 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, previously to his name and address being entered in the Register or the Record of Depositors as the registered holder of such share, shall have been duly given to the person from whom he derives the title to such share Provided Always that a person entitled to a share in consequence of the death or bankruptcy of a member, upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address within Malaysia for the service of notices, shall be entitled to have served upon him at such address any notice or document to which the member but for his death or bankruptcy would be entitled, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested in the share.

**Person entitled
to shares by
transfer,
transmission,
etc. bound by
notices**

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

Notice and/or documents in case of death or bankruptcy

170. (1) Notice of every general meeting shall be given in any manner hereinbefore authorised to –
- (a) every member at his registered address as appearing in the Register or Record of Depositors.;
 - (b) every person entitled to a share in consequence of the death or bankruptcy of a member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting;
 - (c) the auditor for the time being of the Company;
 - (d) the Directors of the Company; and
 - (e) the Bursa Securities.
- (2) Save as otherwise provided in this Constitution or in the Act, no other person shall be entitled to receive notice of general meetings.
- (3) Any notice served for and on behalf of the Company or of the Directors shall only be effectual if it bear the name of a Director or the Secretary or other duly authorised officer of the Company and which are issued by order of the Board pursuant to a resolution duly passed by the Directors.

Persons entitled to notice of general meeting

WINDING UP

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

Distribution in specie

172. Without prejudice to the rights of holders of shares issued upon special terms and conditions pursuant to this Constitution the following provisions shall apply:

Distribution of assets

- (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.
- (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.
- (c) If the Company shall be wound up and the assets distributed, the holders of preference shares shall be entitled to the return of capital in preference to holders of the ordinary shares.

SECURITY CLAUSE

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

Secrecy

INDEMNITY

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

Indemnity to the Directors, Managing Director, Secretary etc.

RECONSTRUCTION

175. On the sale of the undertaking of the Company, the Board or the liquidators on a winding-up may, subject to the Act, 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 Board (if the profits of the Company permit), or the liquidators (on a winding-up), may distribute such shares or securities, or any property of the Company amongst the members without realisation, or vest the same in trust for them and any special resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company, and for valuation of any such securities or property at such price and in such manner as the meeting may approve, and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in the case of the Company which is proposed to be or is in the course of being wound up, such statutory rights (if any) under Section 457 of the Act as are incapable of being varied or excluded by this Constitution.

Reconstruction

COMPLIANCE WITH STATUTES, REGULATION AND RULES

176. The Company shall comply with the provisions of all Applicable Laws, notwithstanding any provisions in this Constitution to the contrary.

**Compliance
with statutes,
regulations and
rules**

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