

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting of Favelle Favco Berhad will be held at Concorde III, Concorde Hotel Shah Alam, Level 2, No. 3, Jalan Tengku Ampuan Zabedah C9/C, 40100 Shah Alam, Selangor Darul Ehsan on Monday, 28 June 2010 at 2.00 p.m. for the following purposes:-

Agenda

As Ordinary Business

- To receive the Audited Financial Statements for the financial year ended 31 December 2009 and the Reports of the Directors and Auditors thereon.
 - To approve a First and Final Tax-Exempt Dividend of 4.00 sen per ordinary share in respect of the financial year ended 31 December 2009.
 - To re-elect the following Directors who retire pursuant to Article 80 of the Company's Articles of Association:-
 - Tan Sri A. Razak bin Ramli
 - Mac Chung Hui
 - To consider and, if thought fit, to pass the following resolution:-

"THAT Tuan Haji Mohamed Taib bin Ibrahim, a Director who retires pursuant to Section 129(2) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company in accordance with Section 129(6) of the Companies Act, 1965 and to hold office until the conclusion of the next Annual General Meeting."
 - To appoint Auditors and to authorise the Directors to fix their remuneration.
- Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed hereto, has been received by the Company for the nomination of Messrs Crowe Horwath (AF:1018), who have given their consent to act, for appointment as Auditors and of the intention to propose the following ordinary resolution:-
- "THAT** Messrs Crowe Horwath (AF:1018) be and is hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs KPMG and to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to determine their remuneration."

**Resolution 1
Resolution 2**

**Resolution 3
Resolution 4
Resolution 5**

Resolution 6

As Special Business

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

6. ORDINARY RESOLUTION

Proposed Renewal of Share Buy-Back Authority

"THAT subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to buy-back and/or hold from time to time and at any time such amount of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities ("Proposed Share Buy-Back") upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company provided that:-

Resolution 7

- The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholders' mandate for share buy-back which was obtained at the Annual General Meeting held on 22 June 2009, the Company shall be entitled to further purchase and/or hold such additional number of shares and shall (in aggregate with the shares then still held by the Company) not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities;
- The maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the sum of Retained Earnings and the Share Premium Account of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy-Back (as at 31 December 2009, the audited Retained Earnings and Share Premium Account of the Company were RM14,123,000 and RM1,459,000 respectively); and
- The shares purchased by the Company pursuant to the Proposed Share Buy-Back may be dealt with by the Directors in all or any of the following manner:-
 - the shares so purchased may be cancelled; and/or
 - the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or
 - part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

THAT such authority shall commence upon the passing of this resolution, until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required by law to be held unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting but so as not to prejudice the completion of a purchase made before such expiry date;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by all relevant regulatory authorities from time to time and with full powers to do all such acts and things thereafter in accordance with the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Securities and all other relevant regulatory authorities."

7. ORDINARY RESOLUTION

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate")

Resolution 8

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with Related Parties who may be a Director, a major shareholder of the Company and/or its subsidiaries or a person connected with such a Director or a major shareholder, as specified in section 2.1.2 of the Circular to Shareholders dated 4 June 2010 subject to the following:-

- the transactions are of a revenue or trading in nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries and are transacted on terms consistent or comparable with market or normal trade practices and/or based on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- disclosure is made in the annual report of the aggregate value of transactions conducted during the financial year pursuant to the shareholders' mandate in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

THAT the mandate given by the shareholders of the Company shall only continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (the "Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever is the earlier;

AND THAT the Directors of the Company be authorised to complete and do such acts and things as they may consider expedient or necessary to give full effect to the Proposed Renewal of Shareholders' Mandate."

8. SPECIAL RESOLUTION

Proposed Amendments to the Articles of Association of the Company

Resolution 9

"Article 74 – Rights to appoint proxy and right to vote

THAT the existing Article 74(a) be deleted in its entirety and replaced with the new Article 74(a) of the Articles of Association, which shall read as follows:-

74. (a) *A Member shall be entitled to be present and to vote on any question either personally or by proxy, or as proxy for another Member at any General Meeting, or upon a poll and to be reckoned in a quorum in respect of any fully paid-up shares and of any shares upon which calls due and payable to the Company shall have been paid. In accordance with Section 149 of the Act, a Member shall not be entitled to appoint a person who is not a Member of the Company as his proxy unless that person is an advocate, an approved company auditor or a person approved by the Registrar of Companies in a particular case. A Member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting and where a Member appoints two (2) proxies, such appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*

THAT the existing Article 74 be amended by inserting the following new Article numbered as Article 74(d) immediately after Article 74(c) of the Articles of Association of the Company:-

74. (d) *If a Member having appointed a proxy/proxies to attend a general meeting attends such meeting in person, the appointment of such proxy/proxies shall be null and void in respect of such meeting and his proxy/proxies shall not be entitled to attend such meeting.*

Article 75 – How instrument to be executed

THAT the existing Article 75 be deleted in its entirety and replaced with the new Article 75 of the Articles of Association, which shall read as follows:-

The instrument appointing a proxy shall be in writing under the hands of the appointor or of his attorney duly authorised in writing or, if such appointor is a corporation, either under its common seal, or the hand of its attorney. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the appointor.

Article 76 – Instrument to be left at Company's office

THAT the existing Article 76 be deleted in its entirety and replaced with the new Article 76 of the Articles of Association, which shall read as follows:-

The instrument appointing a proxy shall be left at the Office or such other place in Malaysia as is specified for that purpose in the notice convening the meeting, at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote; otherwise the instrument shall be deemed to be invalid and the person so named shall not be entitled to vote in respect thereof.

Article 77 – Form of proxy

THAT the footnote to the Form of Proxy of the existing Article 77 be amended and shall read as follows:-

In accordance with Section 149 of the Act, a Member shall not be entitled to appoint a person who is not a Member of the Company as his proxy unless that person is an advocate, an approved company auditor or a person approved by the Registrar of Companies in a particular case.

Article 126 – Dividends Payable by Cheque

THAT the existing Article 126 be deleted in its entirety and replaced with the new Article 126 of the Articles of Association, which shall read as follows:-

- 126.(a) *Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the last registered address of the Member or person entitled thereto, or, if two or more persons are registered as joint holders of the shares or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such person and such address as such person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holders or person or persons entitled to the Share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.*
- (b) *Subject to the provisions of the Act, the Central Depositories Act and the Rules, the Listing Requirements and/or regulatory authorities, payment of dividends may be made by direct transfer or such other mode of electronic means to the bank account of the holder whose name appear in the register of members or Record of Depositors or, if more than one person is entitled thereto in consequence of the death or bankruptcy of the holder, payment in such manner to the bank account of any one of such persons or to the bank account of such person as such persons may by writing direct. The payment of any dividends by such electronic means shall constitute a good and full discharge to the Company of the dividends to which it relates regardless of any discrepancy given by the Member in the details of bank account(s)."*

- To transact any other business of which due notice shall have been given.

Notes:

- A member of the Company who is entitled to attend and vote at the Meeting is entitled to appoint a proxy or more than one proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- The instrument appointing a proxy shall be in writing under the hands of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of its officer or its duly authorised attorney.
- When a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- The instrument appointing a proxy must be deposited at the Company's registered office at Lot 586, 2nd Mile, Jalan Batu Tiga Lama, 41300 Klang, Selangor Darul Ehsan, Malaysia at least forty-eight (48) hours before the time set for holding the Meeting or at any adjournment thereof.

Explanatory notes on Special Business

- Resolution 7 on Proposed Renewal of Share Buy-Back Authority**
For the detailed information on the Proposed Share Buy-Back, shareholders are advised to refer to the Statement to Shareholders dated 4 June 2010 which is circulated together with the Company's Annual Report 2009.
- Resolution 8 on Proposed Renewal of Shareholders' Mandate**
For further information on the Proposed Renewal of Shareholders' Mandate, shareholders are advised to refer to the Circular to Shareholders dated 4 June 2010 which is circulated together with the Company's Annual Report 2009.
- Resolution 9 on Proposed Amendments to the Articles of Association**
The proposed amendments to the Articles of Association of the Company are to be in line with the recent directive by Bursa Malaysia Securities Berhad on the implementation of Electronic Dividend Payment (eDividend) and to further enhance on the administration of the internal affairs of the Company.

Notice of Dividend Entitlement and Payment Date

NOTICE IS HEREBY GIVEN THAT a First and Final Tax-Exempt Dividend of 4.00 sen per ordinary share in respect of the financial year ended 31 December 2009, if approved by the shareholders at the forthcoming Eighteenth Annual General Meeting, will be paid on 28 July 2010 to Depositors whose names appear in the Record of Depositors at the close of business on 12 July 2010.

A Depositor shall qualify for entitlement to the dividend only in respect of :-

- Shares transferred into the Depositor's securities account before 4.00 p.m. on 12 July 2010 in respect of ordinary transfers; and
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

CHIN NGEOK MUI (MAICSA 7003178)
SEE SIEW CHENG (MAICSA 7011225)

TEW SIEW CHONG (MIA 20729)

CHAN WAI FUN (MIA 23537)

Company Secretaries

Selangor Darul Ehsan

4 June 2010