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FAVELLE FAVCO BERHAD

(Company No. 249243-W)

(Incorporated in Malaysia)

PART A

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

PART B

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

PART C

PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY

(Collectively known as “The Proposals”)

The resolutions for the above proposals will be tabled at the Twenty-Seventh (“27th”) Annual General Meeting (“AGM”) of the Company to be held at Concorde Hotel Shah Alam, Concorde II, Level 2, No. 3, Jalan Tengku Ampuan Zabedah C9/C, 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 12 June 2019 at 11.00 a.m. The Notice of the 27th AGM together with the Form of Proxy are enclosed in the Annual Report 2018.

The Form of Proxy must be completed and lodged at the Share Registrar’s office, Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia at least forty-eight (48) hours before the time set for holding 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.

Last date and time for lodging the Form of Proxy : Monday, 10 June 2019 at 11.00 a.m.

Date and time of the 27th AGM : Wednesday, 12 June 2019 at 11.00 a.m.

DEFINITIONS

For the purpose of this Statement/Circular, except where the context otherwise requires, the following definitions shall apply:

Act	:	The Companies Act 2016 as amended from time to time including any re-enactment thereof
AGM	:	Annual General Meeting of the Company
Annual Report 2018	:	The Annual Report of FFB issued for the financial year ended 31 December 2018
Board	:	Board of Directors of FFB
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
Code	:	Malaysian Code on Take-Overs and Mergers 2010, as amended from time to time including any re-enactment thereof
CMSA	:	The prevailing Capital Markets and Services Act 2007, as amended from time to time including any re-enactment thereof
Director(s)	:	Shall have the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding six (6) months of the date on which the terms of the respective RRPT were agreed upon, a director of the Company or any other company which is a subsidiary or holding company of the Company, or a chief executive officer of the Company or its subsidiary or holding company
EPS	:	Earnings per share
Existing Shareholders' Mandate	:	The Shareholders' Mandate for FFB Group to enter into Recurrent Related Party Transactions of a revenue or trading nature with the Related Parties for which approval from the shareholders was obtained during the Twenty-Sixth AGM held on 26 June 2018.
FFB or Company	:	Favelle Favco Berhad (Company No. 249243-W)
FFB Group or Group	:	FFB, its subsidiary and associated companies collectively
FFA	:	Favelle Favco Cranes Pty Limited, a wholly-owned subsidiary of FFB
FFCI	:	Favelle Favco Cranes International Ltd, a wholly-owned subsidiary of FFB
FES	:	FES Equipment Services Sdn Bhd (Company No. 503539-A), a wholly-owned subsidiary of FFB

DEFINITIONS – CONT'D

FFM	:	Favelle Favco Cranes (M) Sdn Bhd (Company No. 351073-T), a wholly-owned subsidiary of FFB
FFMgmt	:	FF Management Pty Limited, a wholly-owned subsidiary of FFA
FFS	:	Favelle Favco Cranes Pte Ltd, a wholly-owned subsidiary of FFB
FFU	:	Favelle Favco Cranes (USA), Inc, a wholly-owned subsidiary of FFB
FO	:	Favco Offshores Sdn Bhd (Company No. 339702-T), an associated company of FFB
KC	:	Krøll Cranes A/S, a wholly-owned subsidiary of FFB
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities, including any amendments, modifications and additions thereto
LPD	:	30 March 2019, being the latest practical date prior to the printing of this Circular
Major Shareholder(s)	:	<p>A person who is or was within the preceding six (6) months of the date on which the terms of the respective RRPT were agreed upon, has an interest or interests in one (1) or more voting shares in FFB and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:-</p> <ul style="list-style-type: none">(i) Equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in FFB; or(ii) Equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in FFB where such person is the largest shareholder of the Company <p>For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act and for the purpose of the Proposed Shareholders’ Mandate, include a major shareholder of FFB or any corporation which is FFB’s subsidiary or holding company</p>
Market Day	:	Any day when Bursa Securities is open for trading of securities
MBC	:	Milperra Blasting and Coating Pty. Limited, a wholly-owned subsidiary of FFA
MEB	:	Muhibbah Engineering (M) Bhd (Company No. 12737-K), the ultimate holding company of FFB
MEB Group	:	MEB, its subsidiary and associated companies collectively
NA	:	Net assets

DEFINITIONS - CONT'D

- Option(s) : The right of the grantee to subscribe for new FFB Share(s) pursuant to the Share Issuance Scheme (“SIS”) in accordance with the terms and conditions of the SIS bye-laws
- Proposed Adoption : Proposed adoption of new Constitution of the Company
- Proposed Authorised Period : The period where authority is granted by the shareholders of the Company for the Proposed Share Buy-Back which is effective upon the passing of the ordinary resolution in the forthcoming AGM and may continue to be in force until:
- (a) the conclusion of the next AGM of the Company; or
 - (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting, whichever occurs first
- Proposed Shareholders’ Mandate : Proposed Renewal of the Shareholders’ Mandate for RRPT of a revenue or trading nature as set out in Part B of Section 2.1.2 for which approval from the shareholders is being sought at the forthcoming AGM
- Purchased Shares : Shares purchased pursuant to the Proposed Share Buy-Back
- Recurrent Related Party Transactions or RRPT : Recurrent related party transactions of a revenue or trading nature which are necessary for the Group’s day-to-day operations and are in the ordinary course of business of the Group
- Related Party(ies) : Director(s), major shareholder(s) or person(s) connected with such director(s) or major shareholder(s). For the purpose of this definition, “director”, “major shareholder” and “person connected” shall include any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or major shareholder of the Group
- RM and sen : Ringgit Malaysia and sen respectively
- Share(s) or FFB Share(s) : Ordinary shares in FFB
- SIS : FFB Share Issuance Scheme 2017/2022
- Treasury Shares : The Purchased Shares which are retained by the Company and shall have the meaning given under Section 127 of the Act

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

Any reference in this Circular/Statement to any enactment is a reference to that enactment for the time being amended or re-enacted. Any reference to a time of day in this Circular/Statement shall be a reference to Malaysian time, unless otherwise stated.

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PART A

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE
PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK**



FAVELLE FAVCO BERHAD
(Company No. 249243-W)
(Incorporated in Malaysia)

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

1. INTRODUCTION

The Company had announced on 25 April 2019 that it will be seeking shareholders' approval at its 27th AGM to be held on 12 June 2019 for the proposed renewal of authority for the purchase by FFB of its own shares of up to ten percent (10%) of the total number of issued Shares at the point of purchase ("Proposed Share Buy-Back").

This Statement serves to provide you with the relevant information on the Proposed Share Buy-Back, to set out your Board's recommendation thereon and to seek your approval for the ordinary resolution in respect of the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

The Notice of AGM together with the Form of Proxy are enclosed in the Annual Report 2018.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

At the 26th AGM of the Company held on Tuesday, 26 June 2018, the shareholders had approved the renewal of authority for the Company to buy back up to ten percent (10%) of its total number of issued Shares at the point of purchase. The said approval will expire at the conclusion of the forthcoming AGM of the Company unless renewed by an ordinary resolution passed by the shareholders.

The maximum number of shares that may be bought-back of up to ten percent (10%) of the total number of issued Shares of the Company would include all shares which have been previously bought-back and cancelled or retained as Treasury Shares. As at 29 March 2019, a total of 10,000 Shares are being held as Treasury Shares.

The renewal of the authority for the purchase by the Company of its own shares will be effective immediately upon the passing of the ordinary resolution on the Proposed Share Buy-Back at its 27th AGM to be held on 12 June 2019 until:

- (i) the conclusion of the next AGM of the Company; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

Whichever is the earliest.

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back, if implemented, may potentially benefit the Company and its shareholders as follows:

- a) This would stabilise the supply and demand of FFB Shares in the open market and thereby supporting the fundamental value of the Shares.
- b) The Purchased Shares can be retained as Treasury Shares and resold on Bursa Securities at a higher price with the intention of realising potential capital gain without affecting the total number of issued share capital of the Company and/or be distributed as share dividend as a reward to its shareholders.
- c) All things being equal, the Proposed Share Buy-Back, irrespective of whether the Purchased Shares are held as Treasury Shares or cancelled, will result in a lower number of FFB Shares being taken into account for the purpose of computing the EPS of FFB Shares. The purchase of FFB Shares by FFB will improve the EPS of FFB, which in turn is expected to have a positive impact on the share price of FFB Shares. Thereby, enabling long-term and genuine investor to enjoy potential corresponding increase in the value of investments in the Company.

4. FUNDING FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back will allow the Board to purchase FFB Shares at any time within the Proposed Authorised Period. The Board proposes to allocate an amount of funds not exceeding the retained profits of the Company for the purchase of its own Shares pursuant to the Proposed Share Buy-Back. The retained profits of the Company based on its latest audited financial statements for the financial year ended 31 December 2018 approximately amounted to RM96 million.

The amount of funds allocated for the purchase of its own Shares pursuant to the Proposed Share Buy-Back shall be financed from internally generated funds and/or external borrowings, the proportion of which will only be determined later depending on the available internally generated funds, actual number of Shares to be purchased and other relevant cost factors. In the event the Proposed Share Buy-Back is to be partly financed by external borrowings, the Board will ensure that the Company has sufficient funds to repay external borrowings and service the interests and that the repayment will not have any material effect on the cash flow of the FFB Group.

5. ADVANTAGES AND DISADVANTAGES

In addition to the potential advantages mentioned in Section 3 above, the Proposed Share Buy-Back, if exercised, may also potentially benefit the Company as follows:

- (a) The EPS of FFB Shares and the return on equity of FFB, assuming all other things being equal, would be enhanced resulting from the smaller issued share capital of the Company. This is expected to have a positive impact on the market price of FFB Shares which will benefit the shareholders of FFB; and
- (b) Allow FFB the flexibility in achieving the desired capital structure, in terms of its debt and equity composition and the size of its equity.

The potential disadvantages of the Proposed Share Buy-Back, if exercised, are as follows:

- (a) Will reduce the financial resources of the Company and may result in the Group forgoing better investment opportunities that may emerge in the future; and

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

Nevertheless, the Board is mindful of the interests of the Company and its shareholders in undertaking the Proposed Share Buy-Back. The Proposed Share Buy-Back will be exercised only after careful consideration of the financial resources of the FFB Group, and of the resultant impact on the Company and its shareholders.

6. EFFECTS OF THE PROPOSED SHARE BUY-BACK

Assuming that the Company purchases Shares representing ten percent (10%) of its issued share capital as at LPD, the effects of the Proposed Share Buy-Back on the share capital, NA, working capital, earnings and dividends are set out as follows:

6.1 Share Capital

The Proposed Share Buy-Back will result in the reduction of the total issued share capital of the Company if the Purchase Shares are cancelled. The proforma effects of the Proposed Share Buy-Back on the total issued share capital of FFB as at LPD assuming the Purchase Shares are cancelled, is illustrated below:

- Scenario I : Assuming that the Proposed Share Buy-Back is carried out in full and none of the outstanding Options are exercised into FFB Shares during the implementation of the Proposed Share Buy-Back.
- Scenario II : Assuming that the Proposed Share Buy-Back is carried out in full and full exercise of the outstanding Options into FFB Shares within the Proposed Authorised Period.

	Scenario 1 No. of Shares	Scenario 2 No. of Shares
As at LPD*	221,566,763	221,566,763
Assuming all outstanding Options are fully exercised	-	6,798,000 #
Enlarged share capital	221,566,763	228,364,763
Maximum number of Shares which may be purchased pursuant to the Proposed Share Buy-Back	(22,156,676)	(22,836,476)
Resulting issued and paid-up share capital upon cancellation of maximum number of Shares which may be purchased under the Proposed Share Buy-Back	199,410,087	205,528,287

Notes:

* The above illustration is on the assumption that a total of 10,000 Treasury Shares held on LPD are not cancelled.

The Proposed Authorised Period is applicable for all the outstanding 6,798,000 Options which are assumed exercised into Shares with effect from 15 September 2019.

The Proposed Share Buy-Back will not have any effect on the share capital of the Group if the Purchased Shares are retained as Treasury Shares.

6.2 NA

Depending on the purchase price and number of Shares purchased, the Proposed Share Buy-Back will reduce the consolidated NA per Share at the time of purchase if the purchase price exceeds the consolidated NA per Share and conversely will increase the consolidated NA per Share at the time of purchase if the purchase price is less than the consolidated NA per Share.

Should the Purchased Shares be resold, the consolidated NA per Share will increase if the Company realises a gain from the resale, and vice versa.

6.3 Working Capital

The implementation of the Proposed Share Buy-Back is likely to reduce the working capital of the Group, the quantum being dependent on the number of FFB Shares being purchased, the purchase price(s) and the amount of financial resources to be utilised for the purchase of FFB Shares.

For the Purchased Shares retained as Treasury Shares, upon its resale, the working capital of the Company will increase. Again, the quantum of the increase in the working capital will depend on the actual selling price of the Treasury Shares resold, the effective gain or interest saving arising and the gain or loss from the disposal.

6.4 Earnings

The effects of the Proposed Share Buy-Back on the consolidated earnings of FFB would depend on the purchase price and number of Shares purchased as well as the effective funding cost to the Company in implementing the Proposed Share Buy-Back. The reduction in the number of Shares applied in the computation of the consolidated EPS pursuant to the Proposed Share Buy-Back may generally, all else being equal, have a positive impact on the consolidated EPS for the financial year when the Proposed Share Buy-Back is implemented. Should the Purchased Shares be resold, the extent of the impact to the earnings of FFB Group will depend on the actual selling price, the number of Treasury Shares resold, the effective funding cost and the gain or loss on the disposal, if any.

6.5 Dividends

The Board proposed a First and Final Dividend tax exempt dividend of 13.5 sen per ordinary share in respect of the financial year ended 31 December 2018, subject to the approval of the shareholders at the forthcoming AGM. Barring any unforeseen circumstances, the Board does not expect the Proposed Share Buy-Back to materially affect the dividend policy of the Company. The actual dividend rate to be declared and paid will depend on, among others, the actual results of our Group, its cash reserves, capital commitment and future funding requirements.

7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

In the event that all the Purchased Shares are cancelled and on the assumption that the Proposed Share Buy-Back is exercised in full and that the Company will purchase the Shares from shareholders other than the directors and substantial shareholders, the proforma effect of the Proposed Share Buy-Back on the shareholdings of the directors, substantial shareholders of FFB and persons connected as at LPD, are set out as follows:

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Scenario 1

Assuming that the Proposed Share Buy-Back is carried out in full and none of the outstanding Options are exercised during the implementation of the Proposed Share Buy-Back.

	As at LPD		After Proposed Share Buy-Back		%
	Direct No. of Shares	Indirect No. of Shares	Direct No. of Shares	Indirect No. of Shares	
Substantial Shareholders					
Muhibbah Engineering (M) Bhd	131,241,043	-	131,241,043	-	-
Mac Ngan Boon @ Mac Yin Boon	9,142,913 ^(a)	131,241,043 ^(e)	9,142,913 ^(a)	131,241,043 ^(e)	65.81
	59.24	59.24	65.81		65.81
	4.13		4.58		
Directors					
Tan Sri A. Razak bin Ramli	300,000	800 ^(c)	300,000	800 ^(c)	*
Mac Ngan Boon @ Mac Yin Boon	9,142,913 ^(a)	132,979,843 ^(b)	9,142,913 ^(a)	132,979,843 ^(b)	66.69
Mac Chung Hui	2,342,000 ^(a)	-	2,342,000 ^(a)	-	-
Lee Poh Kwee	1,715,000 ^(d)	-	1,715,000 ^(d)	-	-
Mazlan bin Abdul Hamid	2,276,900	-	2,276,900	-	-
Tan Sri Dato' Seri Ahmad Ramli	300,000 ^(d)	-	300,000 ^(d)	-	-
bin Haji Mohd Nor	-	-	-	-	-
Sobri bin Abu	-	-	-	-	-
Dato' Sri Khazali Bin Haji Ahmad	-	-	-	-	-
Persons connected with Director and/or Substantial Shareholder					
Chew Keng Siew	711,800 ^(a)	-	711,800 ^(a)	-	-
Mac Chung Jin	677,000 ^(a)	-	677,000 ^(a)	-	-
Mac Chung Lynn	350,000 ^(d)	-	350,000 ^(d)	-	-
Erman bin Abdul Razak	800 ^(d)	-	800 ^(d)	-	-
	0.32	-	0.36	-	-
	0.31	-	0.34	-	-
	0.16	-	0.18	-	-
	*	-	*	-	-

Notes:

(a) Certain Shares are held in trust through nominee trust companies.

(b) Deemed interested pursuant to Section 8 of the Act by virtue of his substantial interests in MEB and the Shares held by his wife and children pursuant to Section 59(1)(c) of the Act.

(c) Deemed interested by virtue of the Shares held by his son pursuant to Section 59(1)(c) of the Act.

(d) Shares held in trust through nominee trust companies.

(e) Deemed interested pursuant to Section 8 of the Act by virtue of his substantial interests in MEB.

* Percentage of shareholding of less than 0.01%.

** Excluding a total of 10,000 Treasury Shares held as at LPD pursuant to Section 127 of the Act.

Scenario 2

Assuming that the Proposed Share Buy-Back is carried out in full and full exercise of the outstanding exercisable Options into FFB Shares within the Proposed Authorised Period.

	(I)						After (I) and Proposed Share Buy-Back			
	As at LPD			Assuming all exercisable Options are fully exercised			After (I) and Proposed Share Buy-Back			
	Direct No. of Shares	%**	Indirect No. of Shares	Direct No. of Shares	%**	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares	%
Substantial Shareholders										
Muhibbah Engineering (M) Bhd	131,241,043	59.24	-	131,241,043	57.47	-	131,241,043	63.86	-	-
Mac Ngan Boon @ Mac Yin Boon	9,142,913 (a)	4.13	131,241,043 (e)	9,822,913 (a)	4.30	131,241,043 (e)	9,822,913 (a)	4.78	131,241,043 (e)	63.86
Directors										
Tan Sri A. Razak bin Ramli	300,000	0.14	800 (c)	300,000	0.13	800 (c)	300,000	0.15	800 (c)	*
Mac Ngan Boon @ Mac Yin Boon	9,142,913 (a)	4.13	132,979,843 (b)	9,822,913 (a)	4.30	132,979,843 (b)	9,822,913 (a)	4.78	132,979,843 (b)	64.70
Mac Chung Hui	2,342,000 (a)	1.06	-	2,942,000 (a)	1.29	-	2,942,000 (a)	1.43	-	-
Lee Poh Kwee	1,715,000 (d)	0.77	-	2,195,000 (d)	0.96	-	2,195,000 (d)	1.07	-	-
Mazlan bin Abdul Hamid	2,276,900	1.03	-	2,756,900	1.21	-	2,756,900	1.34	-	-
Tan Sri Dato' Seri Ahmad Ramli bin Haji	300,000 (d)	0.14	-	300,000 (d)	0.13	-	300,000 (d)	0.15	-	-
Mohd Nor	-	-	-	-	-	-	-	-	-	-
Sobri bin Abu	-	-	-	-	-	-	-	-	-	-
Dato' Sri Khazali Bin Haji Ahmad	-	-	-	-	-	-	-	-	-	-
Persons connected with Director and/or Substantial Shareholder										
Chew Keng Siew	711,800 (a)	0.32	-	711,800 (a)	0.31	-	711,800 (a)	0.35	-	-
Mac Chung Jin	677,000 (a)	0.31	-	677,000 (a)	0.30	-	677,000 (a)	0.33	-	-
Mac Chung Lynn	350,000 (d)	0.16	-	350,000 (d)	0.15	-	350,000 (d)	0.17	-	-
Erman bin Abdul Razak	800 (d)	*	-	800 (d)	*	-	800 (d)	*	-	-

Notes:

(a) Certain Shares are held in trust through nominee trust companies.

(b) Deemed interested pursuant to Section 8 of the Act by virtue of his substantial interests in MEB and the Shares held by his wife and children pursuant to Section 134 of the Act.

(c) Deemed interested by virtue of the Shares held by his son pursuant to Section 59(1)(C) of the Act.

(d) Shares held in trust through nominee trust companies.

(e) Deemed interested pursuant to Section 64 of the Act by virtue of his substantial interests in MEB.

* Percentage of shareholding of less than 0.01%.

** Excluding a total of 10,000 Treasury Shares held as at LPD pursuant to Section 127 of the Act.

Assuming the exercisable Options which are exercisable into Shares with effect from 15 September 2019 granted to Mac Ngan Boon @ Mac Yin Boon, Mac Chung Hui, Lee Poh Kwee and Mazlan bin Abdul Hamid during the Proposed Authorised Period, to subscribe for 680,000, 600,000, 480,000 and 480,000 new Shares respectively are fully exercised.

8. PUBLIC SHAREHOLDING SPREAD

As at LPD, approximately 70,799,307 Shares representing 31.96% of the issued share capital of the Company were held by 4,135 public shareholders. The Board will endeavour to ensure that the Proposed Share Buy-Back will not breach Paragraph 12.14 of the Listing Requirements, which states that a listed company must not purchase its own shares on Bursa Securities if the purchase(s) will result in the listed company being in breach of Paragraph 8.02(1) of the Listing Requirements. Paragraph 8.02(1) of the Listing Requirements states that a listed issuer must ensure at least 25% of its total listed shares are in the hands of the public shareholders holding.

The Board undertakes that any proposed purchase of the FFB Shares would only be conducted in accordance with laws prevailing at the time of the purchase including compliance with the twenty-five percent (25%) public shareholding spread as required by the Listing Requirements.

9. IMPLICATION RELATING TO THE CODE

There is no implication relating to the Code arising from the Proposed Share Buy-Back.

It is the intention of FFB to implement the Proposed Share Buy-Back in a manner that will not result in any of the shareholders of FFB having to undertake a mandatory offer pursuant to the Code.

10. PURCHASES OF SHARES OR RESALE OR CANCELLATION OF TREASURY SHARES IN THE LAST FINANCIAL YEAR

During the financial year ended 31 December 2018, the Company has not purchased any FFB Shares from the open market. There was also no resale or cancellation of treasury shares during the same period.

11. HISTORICAL SHARE PRICE

The monthly highest and lowest prices of FFB shares traded on Bursa securities for the past twelve (12) months from January 2018 to LPD are as follows:-

Month/Year	High (RM)	Low (RM)
2018		
January	2.85	2.60
February	2.74	2.53
March	2.62	2.50
April	2.58	2.37
May	2.52	2.34
June	2.69	2.40
July	2.60	2.43
August	2.68	2.53
September	2.59	2.25
October	2.45	2.22
November	2.36	2.20
December	2.35	2.22

(Source : www.investing.com)

The last transacted price of FFB on LDP was RM2.65

12. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for the proportionate increase in the percentage of shareholdings and/or voting rights in their capacity as shareholders as a consequence of the Proposed Share Buy-Back, none of the Directors or substantial shareholders of the Company or persons connected with them has any interest, direct or indirect, in the Proposed Share Buy-Back, or in the resale of the Treasury Shares, if any.

13. DIRECTORS' RECOMMENDATION

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

Yours faithfully
For and on behalf of the Board of Directors of
FAVELLE FAVCO BERHAD

TAN SRI A. RAZAK BIN RAMLI
Chairman, Senior Independent Non-Executive Director

PART B

**LETTER TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF
EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**



FAVELLE FAVCO BERHAD

(Company No. 249243-W)

(Incorporated in Malaysia)

Registered Office:

Lot 586, 2nd Mile
Jalan Batu Tiga Lama
41300 Klang
Selangor Darul Ehsan

30 April 2019

Board of Directors:

Tan Sri A. Razak bin Ramli (*Chairman, Senior Independent Non-Executive Director*)

Tan Sri Dato' Seri Ahmad Ramli bin Haji Mohd Nor (*Vice Chairman, Independent Non-Executive Director*)

Mac Chung Hui (*Managing Director/Chief Executive Officer*)

Mac Ngan Boon @ Mac Yin Boon (*Executive Director*)

Lee Poh Kwee (*Executive Director*)

Mazlan bin Abdul Hamid (*Executive Director*)

Sobri Bin Abu (*Independent Non-Executive Director*)

Dato' Sri Khazali Bin Haji Ahmad (*Independent Non-Executive Director*)

To: The shareholders of FAVELLE FAVCO BERHAD

Dear Sir/ Madam,

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

1. INTRODUCTION

At the 26th AGM of the Company held on 26 June 2018, the shareholders of the Company approved, inter alia, the mandates for the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions. The shareholders' mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM unless authority for its renewal is obtained from the shareholders of the Company at the AGM.

Accordingly, the Board had on 25 April 2019 announced FFB's intention to seek its shareholders' approval for the Proposed Shareholders' Mandate.

The purpose of this Circular is to provide you with the details on the Proposed Shareholders' Mandate as set out in the Notice of the AGM, and to seek your approval for the resolutions to be tabled at the forthcoming AGM. The Notice of the AGM together with the Form of Proxy are enclosed in the Annual Report 2018.

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Proposed Shareholders' Mandate

Under Paragraph 10.09 of the Listing Requirements allows the Company to seek shareholders' mandate in respect of RRPT 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:-
 - (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is equal to or exceeds RM1,000,000; or
 - (ii) the percentage ratio of such Recurrent Related Party Transactions is equal to or exceeds 1%,whichever is the higher;
- (c) the issuance of a circular to shareholders by the listed issuer containing information as specified in the Listing Requirements;
- (d) in a meeting to obtain the shareholders' mandate, the interested director(s), interested major shareholder(s) and interested person(s) connected with the director(s) or major shareholders; and where it involves the interest of an interested person connected with the director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) to immediately announce to Bursa Securities when the actual value of the RRPT entered into, exceeds the estimated value of the RRPT disclosed in the Circular by 10% or more.

Where the Company has obtained shareholders' mandate in respect of Recurrent Related Party Transactions, the provisions under paragraph 10.08 of the Listing Requirements shall not apply during the validity period of the shareholders' mandate.

The shareholders of the Company approved the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature with certain Related Parties at the 26th AGM of the Company held on 26 June 2018, the details of the which were set out in the Circular dated 30 April 2018.

The Existing Shareholders' Mandate will require shareholders' approval for renewal when it expires at the conclusion of the forthcoming 27th AGM to be held on 12 June 2019.

The Company proposes to seek its shareholders' approval for the Proposed Shareholders' Mandate to enable the Company and/or its subsidiaries to continue entering into Recurrent Related Party Transactions with the classes of Related Parties as set out in Section 2.1.2 below. Any authority conferred by the Proposed Shareholders' Mandate shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the 27th AGM at which the Proposed Shareholders' Mandate was passed, at which time it shall lapse, unless by an ordinary resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever is the earliest.

Thereafter, approval from the shareholders for subsequent renewals will be sought at each subsequent AGM of the Company.

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2.1.1 Principal Activities of FFB Group

FFB is an investment holding company and the principal activities of its subsidiary and associated companies are as follows:

Name	% of effective ownership	Principal Activities
Subsidiary companies of FFB		
FFM	100	Designing, manufacturing, supplying, servicing, trading and renting of cranes
FFS	100	Supplying, servicing, trading and renting of cranes and sales of spare parts and services
FFU	100	Designing, manufacturing, supplying, servicing, trading and renting of cranes
FFA	100	Designing, manufacturing, supplying, renting and servicing of industrial cranes
FFMgmt	100	Management services
MBC	100	Dormant
KC	100	Designing, manufacturing, servicing, trading and renting of cranes
FFCI	100	Dormant
FES	100	Supplying of spare parts for cranes, provision of crane maintenance services and renting of cranes
Favelle Favco Winches Pte Ltd	100	Designing, fabrication, trading, service and rental of winches, hydraulic system and material handling equipment
Favelle Favco Management Services Sdn Bhd	100	Dormant
Shanghai Favco Engineering Machinery Manufacturing Co., Ltd	80	Manufacturing of cranes

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Name	% of effective ownership	Principal Activities
Subsidiary companies of FFB		
Exact Analytical Sdn Bhd	70	Trading of process analysers, continuous emission monitoring system and providing related engineering services on the installation, commissioning and maintenance of environmental and process analysers
Exact Automation Sdn Bhd	70	Trading of industrial information technology equipment, automation and control components for power, quality measurement and providing integrated industrial automation solutions on the design, engineering, testing and project management of plant instrumentation as well as its related maintenance services
Exact Oil & Gas Sdn Bhd	70	Trading and engineering of specialised equipment used in the oil and gas industry including calibration, verification, installation, commissioning, repairs and maintenance of the equipment and systems
Sedia Teguh Sdn Bhd	70	Trading of specialised equipment used in the oil and gas industry including calibration, verification, installation, commissioning, repairs and maintenance of control meters
Associated companies of FFB		
FO	30	Manufacture, supply, servicing and renting of cranes
Favelle Favco Machinery and Equipment L.L.C	49	Trading and rental of construction equipment
Favco Heavy Industry (Changsu) Co., Ltd	50	Supplying, renting and servicing of lifting equipment and spare parts

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2.1.2 Classes and Nature of RRPT

The details of the Related Parties and RRPT in relation to the Proposed Renewal of the Existing Shareholders' Mandate are as follows:

<i>Transacting Parties</i>	<i>Related Party</i>	<i>Nature of Transaction</i>	<i>Estimated value of transactions from the date of the 26th AGM to 12 June 2019 RM'000</i>	<i>Actual transaction value from 26 June 2018 up to LPD RM'000</i>	<i>Estimated value of transactions from the date of the 27th AGM to next AGM⁽¹⁾ RM'000</i>
FFB Group and MEB Group	MEB, Mac Ngan Boon @ Mac Yin Boon, Mac Chung Hui, Mac Chung Jin and Mazlan bin Abdul Hamid	<p>Purchases of cranes and parts and rental of cranes, plant and equipment and barges by FFB Group from MEB Group, and subcontracting work awarded by FFB Group to MEB Group</p> <p>Sales, rental of cranes and provision of maintenance and services by FFB Group to MEB Group</p> <p>⁽²⁾ Rental of factory and office premises located at Geran #26559, Lot 9895, Kg. Jawa, Mukim of Klang, District of Klang, Selangor by MEB Group to FFB Group, measuring 5.0 acres</p> <p>⁽²⁾ Rental of office space under Lot 586, 2nd Mile, Jalan Batu Tiga Lama by MEB Group to FFB Group, measuring 4,500 sq. ft.</p> <p>⁽²⁾ Rental of land held under PN 109083 Lot No. 104626, Mukim & District of Klang, State of Selangor measuring in area approximately 36,000 square metres by MEB Group to FFB Group</p> <p>⁽²⁾ Rental of plant and equipment and scaffolding service by FFB Group to MEB Group</p> <p>Shared services expenses/charges by MEB Group to FFB Group which includes amongst others legal, information technology and internal audit by MEB Group to FFB Group</p>	20,000 10,000 1,500 300 3,000	1,262 199 1,040 66 1,924	20,000 40,000 1,500 300 3,000
			2,000	-	2,000
			3,000	1,500	3,000

2.1.2 Classes and Nature of RRPT (cont'd)

The details of the Related Parties and RRPT in relation to the Proposed Renewal of the Existing Shareholders' Mandate are as follows (cont'd):

<i>Transacting Parties</i>	<i>Related Party</i>	<i>Nature of Transaction</i>	<i>Estimated value of transactions from the date of the 26th AGM to 12 June 2019</i> <i>RM'000</i>	<i>Actual transaction value from 26 June 2018 up to LPD</i> <i>RM'000</i>	<i>Estimated value of transactions from the date of the 27th AGM to next AGM ⁽¹⁾</i> <i>RM'000</i>
FFB Group and FO	Mac Ngan Boon @ Mac Yin Boon and Mazlan bin Abdul Hamid	Rental of plant and equipment, barges and its related maintenance cost by FFB Group to FO Sale of spare parts, and provision of crane maintenance and services by FFB Group to FO Provision of crane maintenance and services and sale of spare parts by FO to FFB Group Rental of plant and equipment, barges and its related maintenance cost by FO to FFB Group	4,000	543	4,000
			3,000	-	3,000

2.1.2 Classes and Nature of RRPT (cont'd)

Notes:

(1) *The figures represent the estimated value of transactions that will be undertaken during the period from the date of the forthcoming AGM, to 30 June 2020, being the tentative date of the next AGM, based on the assumptions that current level of operations will continue and as determined by the Group's management. The estimated values of these transactions may vary and are subject to change.*

(2) *Tenancy and Rental are for terms not exceeding three (3) years with rentals payable on monthly basis.*

(3) *Nature of Interest:-*

(a) *MEB is the ultimate holding company of FFB. MEB owns 59.24% of the total number issued share capital of FFB.*

(b) *Mac Ngan Boon @ Mac Yin Boon is a director and major shareholder in both MEB and FFB. As at LPD, he owns approximately 15.25% and 4.13% direct equity interest in MEB and FFB respectively and the persons connected to him own approximately 4.14% and 60.02% direct equity interest in MEB and FFB respectively. He also holds directorship in certain subsidiaries of both MEB and FFB. He does not hold any direct equity interest in FO and his indirect equity interest in FO is through FFB. In addition, he is the father of Mac Chung Jin and Mac Chung Hui.*

(c) *Mac Chung Hui is a director and shareholder of FFB, and he also holds directorship in certain subsidiaries of FFB. As at LPD, he owns approximately 1.18% and 1.06% direct equity interest in MEB and FFB respectively. He is also the son of Mac Ngan Boon @ Mac Yin Boon and the brother of Mac Chung Jin.*

(d) *Mazlan bin Abdul Hamid is a director and shareholder in MEB, FFB and FO. He holds approximately 0.10%, 1.03% and 70% equity interest in MEB, FFB and FO respectively, as at LPD.*

(e) *Mac Chung Jin is a director and shareholder of MEB, and he also holds directorship in certain subsidiaries of MEB. As at LPD, he owns approximately 1.41% and 0.31% direct equity interest in MEB and FFB respectively and the persons connected to him owns approximately 0.01% direct equity interest in MEB. He is also the son of Mac Ngan Boon @ Mac Yin Boon and the brother of Mac Chung Hui.*

2.1.3 Guidelines and Review Procedures for RRPT

The Audit Committee will be tasked with the review and approval of the RRPT to ensure that the relevant companies undertake such transactions on an arm's length basis and on normal commercial terms and to supervise the existing internal control procedures of the Group.

The following guidelines will apply to the review and approval of RRPT to ensure that the RRPT are undertaken on an arm's length basis, on transaction prices and terms not more favourable to the Related Parties than those generally available to the public and the RRPT are not detrimental to the minority shareholders of FFB.

- (i) Any tender, quotation or contract received from or proposed to be entered into with Related Parties will not be approved unless:
 - (a) the pricing for services, products and materials and/or equipment to be provided or supplied and/or received or purchased is determined in accordance with the Group's usual business practices and policies, as mentioned in Section 2.1.3(c) and (d) below and consistent with the usual margins of the Group with unrelated third parties;
 - (b) the terms are not more favourable to the Related Parties than those extended to unrelated third parties and available to the public and the RRPT are not detrimental to the minority shareholders of FFB;
 - (c) in respect of the provision and/or supply of services and/or purchase of equipment, machinery and/or products after taking into account factors such as pricing, quality, delivery schedules and, where applicable, preferential rates, rebates or discounts accorded for bulk purchases, the terms offered are fair, reasonable and on the FFB Group's commercial rates; and
 - (d) at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services/equipment and/or quantities will be used as comparison, (wherever practical and/or possible), to determine whether the price and terms offered to/by the 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. In the event that quotation or comparative pricing from unrelated third party cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar products/services, or if the product/services is a proprietary item), the transaction price will be determined by the Group in accordance with prevailing commercial rates/terms, business practices and policies or otherwise in accordance with applicable industry norms or market knowledge to ensure that the RRPT is not detrimental to the Group. Besides pricing, FFB Group also has a policy that priority and/or selection of vendors and/or suppliers are not based on pricing alone but also on other intrinsic qualities such as quality and nature of goods or services, reliability, lead time and all other relevant business circumstances and considerations to ensure that the RRPT is not detrimental to FFB Group.

- (ii) The Company has in place an internal authority limit governing business transactions including RRPT. Such internal authority limit would include approval thresholds, which vary depending on inter alia, the type of transactions and based on grounds of practicality of the business and/or operations viewpoint unique to the Group. Generally, a transaction shall be first reviewed and/or agreed by the relevant personnel in charge and/or Head of Business Units/Departments prior to the approval of either the senior management and/or Executive Directors and/or the Managing Director in accordance with the internal authority limit procedure, (where applicable). Subsequently, the Audit Committee will review the management's reports on RRPT at the quarterly meetings of the Audit Committee.
- (iii) The Audit Committee may, as it deems fit, request for additional information pertaining to the transactions from independent sources or advisers.
- (iv) In addition to the guidelines set out above, the Audit Committee will also undertake the following:
 - (a) review from time to time the RRPT being undertaken by the FFB Group;
 - (b) carry out an annual review to ascertain that the established guidelines and procedures for RRPT have been complied with; and
 - (c) consider from time to time whether the established guidelines and procedures for RRPT have become inappropriate and/or unable to ensure that the transactions will be on normal commercial terms, and/or will prejudice the interest of shareholders generally.
- (v) The Company will also maintain a record of RRPT carried out pursuant to the Proposed Shareholders' Mandate. The Company's internal audit plan will incorporate a review of the records in respect of the transactions entered into during the year.
- (vi) Further, where any Director or person connected to the Director have an interest (direct or indirect) in any RRPT, such Director shall abstain from all deliberations and voting on any matter relating to any decision to be taken by the Board in respect of the RRPT at the relevant Board meetings. Where any member of the Audit Committee is interested in any RRPT, that member shall abstain from all deliberations and voting on any matter relating to any decision to be taken by the Audit Committee in respect of the RRPT at the relevant Audit Committee meetings.

2.1.4 Statement by Audit Committee

The Audit Committee has seen and reviewed the procedures mentioned in Section 2.1.3 above and is satisfied that the said procedures are sufficient to ensure that the RRPT as well as the annual review by the Audit Committee in relation thereto, are carried out on normal commercial terms which are not prejudicial to the interests of shareholders of FFB, and the terms are not more favourable to the Related Parties than those generally available to the public and such transactions are not detrimental to the interests of the minority shareholders of FFB. The Audit Committee is satisfied that the Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner, and the frequency of review of these procedures and processes which is carried out on quarterly basis.

Save and except as disclosed in Section 2.1.2, none of the members of the Audit Committee has any interest in any of the RRPT.

As at the date of the Circular, the composition of the Audit Committee is as follows:

Sobri bin Abu (<i>Independent Non-Executive Director</i>)	Chairman
Tan Sri A. Razak bin Ramli (<i>Senior Independent Non-Executive Director</i>)	Member
Tan Sri Dato' Seri Ahmad Ramli bin Haji Mohd Nor (<i>Independent Non-Executive Director</i>)	Member
Dato' Sri Khazali Bin Haji Ahmad (<i>Independent Non-Executive Director</i>)	Member

The Audit Committee shall periodically review the RRPT and also review the established guidelines and procedures to ascertain their compliance. If during the periodic reviews, the Audit Committee is of the opinion that the guidelines and procedures are not sufficient to ensure that the RRPT:

- will be conducted on an arm's length basis;
- are on normal commercial terms in the ordinary course of business;
- are not more favourable to the Related Parties than those generally available to the public;
- are not more prejudicial to the interests of shareholders; and
- are not detrimental to the interests of minority shareholders

the Company will seek a fresh mandate based on new guidelines and procedures.

2.1.5 Benefits to the Group from the RRPT

The RRPT entered into by FFB Group are intended to meet business needs at the best possible terms. The FFB Group should be able to generate sales revenue from its customers which includes its Related Party. Transacting with its Related Party also enhances the ability to explore other business opportunities which will be beneficial to the FFB Group. Further, the close working relationship with the Related Party in the RRPT will ensure timely delivery and provision of services, commitment and reliability of quality services for the FFB Group, to enable the smooth operation of the day-to-day business of the FFB Group.

3. RATIONALE FOR THE PROPOSED SHAREHOLDERS' MANDATE

The RRPT to be entered into by the Group with respect to which the Proposed Shareholder's Mandate is sought, are those transactions which will be carried out in the ordinary course of business. They are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and which may arise at any time and from time to time. These RRPT may be constrained by the time-sensitive and frequent nature of such transactions, and it may be impractical to seek shareholders' approval on a case-by-case basis before entering into such RRPT. As such, the Board is seeking a shareholders' mandate pursuant to Part E, Paragraph 10.09 of the Listing Requirements for the RRPT described in Section 2.1.2 above to allow the Group to enter into such RRPT, which will be made on an arm's length basis and on normal commercial terms which are not more favourable to the Related Party than those generally

available to the public and are not to the detriment of the minority shareholders of the Company and which are not prejudicial to the interest of the shareholders.

By obtaining the mandate for the Proposed Shareholders' Mandate, the necessity to announce and convene separate general meetings from time to time to seek shareholders' approval as and when such RRPT occur would not arise. The Proposed Shareholders' Mandate, if approved, would result in substantial savings of administrative time, inconvenience, costs and expenses for the Company where it would dispense the need for the Company to convene separate shareholders' meetings to approve the RRPT which are of a recurring nature, thus improving the administrative efficacy considerably and allow resources to be channelled towards meeting its other corporate objectives and pursuing business opportunities.

The RRPT entered into by the FFB Group are intended to meet business needs at the best possible terms. The FFB Group should be able to generate sales revenue from its customers which includes its Related Party. Transacting with its Related Party also enhances the ability to explore other business opportunities which will be beneficial to the FFB Group. Further, the close working relationship with Related Party in the RRPT will ensure timely delivery and provision of services, commitment and reliability of quality services for the FFB Group, to enable the smooth operation of the day-to-day business of the FFB Group.

4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will not have any effect on the share capital and shareholding structure of the Company, consolidated NA and earnings of the FFB Group.

5. AMOUNT DUE FROM THE RELATED PARTIES

The breakdown of the principal sum (without interest) for the total outstanding amount due to the Company from the Related Transacting Parties pursuant to Related Party Transactions which exceeded the credit terms for the following period as at the financial year ended 31 December 2018 are as follow:-

Related Parties	Total Outstanding RRPT Receivables as at 31 December 2018 (RM'000)	Outstanding Amount (RM'000)				Outstanding Amount Recovered as at LPD (RM'000)
		1 year or less	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	
		Principal Sum	Principal Sum	Principal Sum	Principal Sum	
MEB	155	85	70	-	-	-
Citech Energy Recovery System Malaysia Sdn Bhd	7	7	-	-	-	-
Wabag Muhibbah JV Sdn Bhd	150	150	-	-	-	-
FO	490	100	-	390	-	-
Total	802	342	70	390	-	-

FFB Group does not charge interest on outstanding sums that are classified as short term in nature in the accounts i.e. amount less than one (1) year. The outstanding balances are to be cleared progressively. However, the Group is mindful of the implication of delay in payments and as such reminders will be sent to the Related Parties regarding the balance outstanding.

The Board is of the opinion that these outstanding sums will be paid by the respective Related Parties in due course. There will be no recoverability issues as the debtors are related parties with a long-standing business relationship with the Group and has proven to be creditworthy debtors with good payment records.

6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM

Save as disclosed below, none of the directors, major shareholders and/or person connected have any interest, direct or indirect, in the Proposed Shareholders' Mandate:

6.1 Proposed Shareholders' Mandate

(i) Interested Directors

Mac Ngan Boon @ Mac Yin Boon, Mac Chung Hui and Mazlan bin Abdul Hamid are deemed interested in the Proposed Shareholders' Mandate ("Interested Directors"). Their shareholdings in FFB as at LPD are as follows:

Name	Direct		Indirect/ Deemed	
	No of shares held	%*	No of shares held	%*
Mac Ngan Boon @ Mac Yin Boon	9,142,913	4.13	132,979,843 ^(a)	60.02
Mac Chung Hui	2,342,000	1.06	-	-
Mazlan bin Abdul Hamid	2,276,900	1.03	-	-

(a) Deemed interested pursuant to Section 8 of the Act by virtue of his substantial interests in MEB and the shares held by his wife and children pursuant to Section 59(1)(c) of the Act.

* Excluding a total of 10,000 Treasury Shares held as at LPD pursuant to Section 127 of the Act.

(ii) Major Shareholders

MEB and Mac Ngan Boon @ Mac Yin Boon are deemed interested in the Proposed Shareholders' Mandate ("Interested Major Shareholders"). MEB and Mac Ngan Boon @ Mac Yin Boon's shareholdings in FFB as at LPD are as follows:

Name	Direct		Indirect/ Deemed	
	No of shares held	%*	No of shares held	%*
MEB	131,241,043	59.24	-	-
Mac Ngan Boon @ Mac Yin Boon	9,142,913	4.13	131,241,043 ^(a)	59.24

(a) Deemed interested pursuant to Section 8 of the Act by virtue of his substantial interests in MEB.

* Excluding a total of 10,000 Treasury Shares held as at LPD pursuant to Section 127 of the Act.

(iii) **Persons connected with the Interested Directors and Interested Major Shareholders**

Persons connected with Interested Directors and Interested Major Shareholders for the Proposed Shareholders' Mandate as at LPD are as follows:

Name	Direct		Indirect	
	No of shares held	%*	No of shares held	%*
Persons connected with Interested Directors and/or Major Shareholders				
Chew Keng Siew ^(a)	711,800	0.32	-	-
Mac Chung Jin ^(b)	677,000	0.31	-	-
Mac Chung Lynn ^(c)	350,000	0.16	-	-

(a) *Chew Keng Siew is the spouse of Mac Ngan Boon @ Mac Yin Boon.*

(b) *Mac Chung Jin is the son of Mac Ngan Boon @ Mac Yin Boon and the brother of Mac Chung Hui*

(c) *Mac Chung Lynn is the daughter of Mac Ngan Boon @ Mac Yin Boon and the sister of Mac Chung Hui*

* *Excluding a total of 10,000 Treasury Shares held as at LPD pursuant to Section 127 of the Act.*

The Interested Directors namely, Mac Ngan Boon @ Mac Yin Boon, Mac Chung Hui and Mazlan bin Abdul Hamid have abstained and will continue to abstain from Board deliberations and voting at the Board meeting, and voting in respect of their direct and/or indirect shareholdings in FFB on the Proposed Shareholders' Mandate at the forthcoming AGM.

The Interested Major Shareholders namely, MEB and Mac Ngan Boon @ Mac Yin Boon will abstain from voting on the Proposed Shareholders' Mandate in respect of their direct and/or indirect shareholdings in FFB at the forthcoming AGM.

In addition, the Interested Directors and Interested Major Shareholders have also undertaken to ensure that persons connected with them will abstain from voting on the Proposed Shareholders' Mandate in respect of their direct and/or indirect shareholdings in FFB at the forthcoming AGM.

7. CONDITIONS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate is subject to the approval of shareholders of FFB at the forthcoming AGM to be convened.

8. DIRECTORS' RECOMMENDATION

The Board (save for the Interested Directors), having considered all aspects of the Proposed Shareholders' Mandate and after careful deliberation, is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the FFB Group. Accordingly, the Board (save for

the Interested Directors) recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

9. AGM

The 27th AGM of FFB will be held at Concorde Hotel Shah Alam, Concorde I, Level 2, No. 3, Jalan Tengku Ampuan Zabedah C9/C, 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 12 June 2019 at 11.00 a.m. for the purpose of considering, and if thought fit, passing, inter alia, the ordinary resolutions on the Proposed Share Buy-Back and Proposed Shareholders' Mandate as set out in the Notice of AGM.

If you are unable to attend and vote in person at the 27th AGM and wish to appoint a proxy to attend and vote in your stead, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions contained therein as soon as and in any event so as to arrive at the Share Registrar's office, **Tricor Investor & Issuing House Services Sdn Bhd**, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia at least forty-eight (48) hours before the time set for holding the 27th AGM.

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 27th AGM should you subsequently wish to do so.

Yours faithfully
For and on behalf of the Board of Directors of
FAVELLE FAVCO BERHAD

TAN SRI A. RAZAK BIN RAMLI
Chairman, Senior Independent Non-Executive Director

PART C

**LETTER TO SHAREHOLDERS IN RELATION TO THE
PROPOSED ADOPTION OF NEW CONSTITUTION**



FAVELLE FAVCO BERHAD

(Company No. 249243-W)

(Incorporated in Malaysia)

Registered Office:

Lot 586, 2nd Mile
Jalan Batu Tiga Lama
41300 Klang
Selangor Darul Ehsan

30 April 2019

Board of Directors:

Tan Sri A. Razak bin Ramli (*Chairman, Senior Independent Non-Executive Director*)
Tan Sri Dato' Seri Ahmad Ramli bin Haji Mohd Nor (*Vice Chairman, Independent Non-Executive Director*)
Mac Chung Hui (*Managing Director/Chief Executive Officer*)
Mac Ngan Boon @ Mac Yin Boon (*Executive Director*)
Lee Poh Kwee (*Executive Director*)
Mazlan bin Abdul Hamid (*Executive Director*)
Sobri Bin Abu (*Independent Non-Executive Director*)
Dato' Sri Khazali Bin Haji Ahmad (*Independent Non-Executive Director*)

To: The shareholders of FAVELLE FAVCO BERHAD

Dear Sir/ Madam,

PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY

1. INTRODUCTION

On 25 April 2019, the Board announced to Bursa Securities that the Company proposed to seek its shareholders' approval for the Proposed Adoption of new constitution of the Company at the 27th AGM.

The purpose of this Circular is to provide you with the details on the Proposed Adoption as set out in the Notice of the AGM and to seek your approval for the resolutions to be tabled at the forthcoming AGM. The Notice of the AGM together with the Form of Proxy are enclosed in the Annual Report 2018.

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED ADOPTION OF NEW CONSTITUTION TO BE TABLED AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED ADOPTION

Pursuant to Section 36 of the Act, the Board proposes that the existing Constitution be revoked in its entirety with immediate effect and by the replacement thereof with a new Constitution, taking into account the changes to the following laws and regulations:

- (a) the Act which came into force on 31 January 2017; and
- (b) the amended MMLR which was issued on 29 November 2017.

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 members who are entitled to vote and do vote in person or by proxy at the forthcoming 27th AGM of our Company.

The details of the new Constitution are as set out in Appendix II of this Circular.

3. RATIONALE OF THE PROPOSED ADOPTION

The Proposed New Constitution is primarily being proposed to streamline the Company's M&A and corporate practices with the Act, which came into force on 31 January 2017 and to take into account the amendments made by Bursa Securities to the MMLR. Pertinently, being a public listed company, the Company is required to amend its Constitution to reflect the requirements under Chapter 7 of the MMLR by 31 December 2019.

4. EFFECTS OF THE PROPOSED ADOPTION

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

5. APPROVAL REQUIRED

The Proposed Adoption of New Constitution requires the approval of the shareholders at the forthcoming 27th AGM of the Company.

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

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

7. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Adoption of New Constitution, is of the opinion that the Proposed Adoption of New Constitution is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the special resolution pertaining to the Proposed Adoption of New Constitution to be tabled at the forthcoming 27th AGM of our Company.

8. AGM

The 27th AGM of FFB will be held at Concorde Hotel Shah Alam, Concorde I, Level 2, No. 3, Jalan Tengku Ampuan Zabedah C9/C, 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 12 June 2019 at 11.00 a.m. for the purpose of considering, and if thought fit, passing, inter alia, the special resolution on the Proposed Adoption of New Constitution as set out in the Notice of AGM.

If you are unable to attend and vote in person at the 27th AGM and wish to appoint a proxy to attend and vote in your stead, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions contained therein as soon as and in any event so as to arrive at the Share Registrar's office, **Tricor Investor & Issuing House Services Sdn Bhd**, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia at least forty-eight (48) hours before the time set for holding the 27th AGM.

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 27th AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

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

Yours faithfully
For and on behalf of the Board of Directors of
FAVELLE FAVCO BERHAD

TAN SRI A. RAZAK BIN RAMLI
Chairman, Senior Independent Non-Executive Director

APPENDIX I - FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

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

2. MATERIAL CONTRACTS

Save as disclosed below, as at the LPD, neither FFB nor any of its subsidiary companies have entered into any contract which is or may be material during the two (2) years preceding the date of this Circular other than contracts entered into in the ordinary course of business.

On 3 July 2018, the acquisition of Exact Automation Sdn Bhd, Sedia Teguh Sdn Bhd, Exact Analytical Sdn Bhd and Exact Oil & Gas Sdn Bhd has been completed.

3. MATERIAL LITIGATION

As at the LPD, FFB Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of FFB Group and the Board is not aware of any proceedings, pending or threatened, or of any facts likely to give rise to any other proceedings, which might materially and adversely affect the business or financial position of FFB Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of FFB following the date of this Circular from Monday to Friday (except Public Holidays) during business hours up to the time set for convening the 27th AGM:

- (i) the Constitution of FFB;
- (ii) the audited consolidated financial statements of FFB for the past two (2) financial years ended 31 December 2017 and 31 December 2018; and
- (iii) the material contracts referred in item 2 above.

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THE COMPANIES ACT 2016
MALAYSIA

PUBLIC COMPANY LIMITED BY SHARES

CONSTITUTION

OF

FAVELLE FAVCO BERHAD

(Company No. 249243-W)

Incorporated on 22nd day of September, 1992

THE COMPANIES ACT, 2016

PUBLIC COMPANY LIMITED BY SHARES

CONSTITUTION

OF

FAVELLE FAVCO BERHAD

1. The name of the Company is **FAVELLE FAVCO BERHAD**.
2. The registered office of the Company is situated in Malaysia.
3. 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 that the Board considers to be advantageous to the Company and that are not prohibited under any law for the time being in force in Malaysia. The powers of the Company conferred under Section 21 of the Companies Act 2016 shall include, but not be limited to -
 - (1) To carry on business as concessionaires and merchants and to undertake, and carry on, and execute all kinds of commercial trading and other operations.
 - (2) To undertake any of the business of a holding company and to acquire and hold for investment shares, stock, debentures, debenture stock, bonds, obligations and securities issued or guaranteed by any Company or private under- taking or any syndicate or persons constituted or carrying on business in Malaysia or elsewhere.
 - (3) To carry on the 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.
 - (4) 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.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

- (5) To carry on the business of garage keepers and suppliers of and dealers in plant, electricity and other motive power to motor and other things.
- (6) 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.
- (7) 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.
- (8) To carry on or conduct all or any of the businesses of builders, carpenters, carriers, Contractors, decorators, dredgers, prospectors, job-masters, quarry- men, quarry proprietors, refiners and smelters, victuallers, agents, dealers, exporters and importers, merchants, makers or manufacturers for or in all goods, lines, matters and things including bricks, furniture, hardware, lime, metals, sands, stone, tiles, timber, terra cotta and all other building requisites, estate house or land agents.
- (9) 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.
- (10) To carry on business as exporters, importers, cultivators, winners 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 wood, timber, cane, or other forest produce, plant matter or thing including coal, charcoal, paper, plastics and other synthetic materials.
- (11) To carry on the business of manufacturers of and dealers in paper of all kinds, and articles made from paper or plup, 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.
- (12) 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.
- (13) To manage, operate and maintain fuel, oil and petrol pumps, stations and retail and wholesale agencies, and garages, service stations, workshops and repair shops.
- (14) 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 or any mines, mining rights or concessions or any metalliferous lands, gravels or rivers, or any lands of whatsoever tenure or title containing or supposed to contain tin, precious stones, gold, silver, lead, wolfram, copper, iron, oil, coal, or other valuable products and to explore, work, exercise, develop or otherwise turn to account, deal with or dispose of any such concessions, grants, claims, licences, leases, mines, lands, options, rights or privileges and produce thereof.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

- (15) 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.
- (16) 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 houses, rest houses, clubs, restaurants, baths, places of worship, places of amusement, pleasure grounds, parks, gardens, reading rooms, stores, shops, dairies, and other works and conveniences which the Company may think directly or indirectly conducive to these objects, and to contribute or otherwise assist or take part in the construction, maintenance, development, working, control and management thereof.
- (17) To carry on business as tourist and travel agents and contractors, and to facilitate tourism and travelling, and to provide for tourists, travellers, 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 carriages and transport of all kinds, including the hire of any form or system of transport.
- (18) To provide hotel and lodging facilities and all other kinds of accommodation, guides, safe deposits, inquiry bureaus, libraries, baggage transport and other- wise generally to provide all whatsoever amenities requirements and services convenient, expedient and necessary for persons touring, travelling, holidaying, to develop, promote, operate, manage, work and control holiday resorts and camps, vacation centres and to arrange, organise, and manage t tours of all kinds; to arrange, organise and manage cruises, journeys, tours, travels, trips, voyages and expeditions of all kinds, and to promote, organise and manage amusements, carnivals, cinemas, circuses, entertainments, exhibitions, expositions, fairs, festivals, playgrounds, 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.
- (19) 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.
- (20) To carry on the business of planter, farmers, and cultivators of 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.
- (21) 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.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

- (22) To manufacture, buy, sell, exchange and in any other whatsoever manner deal with, utilise or turn to account any matter, substance or thing including (but without prejudice to the generality of the foregoing) bone, copra, fertiliser, guano, manure, and all agricultural and farm produce.
- (23) 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.
- (24) To purchase, hire, sell, deal in, construct, equip, maintain, improve, repair, and use motor-cars, motor-lorries, motor-cycles, steam cars, steam wagons, tractors, aeroplanes, bicycles, carts, carriages, ropeways, cableways, high lead lines, cranes and all other forms of craft, machine or vehicle, animals or material, either terrestrially, sub-terraneously, or aerially and all tools and parts thereof and all other things proper to be used in connection there- with.
- (25) To carry on all or any of the business of managers of shipping property, freight contractors, carriers by land and air, barge owners, lightermen, stevedores, forwarding agents, and any other form of transport business, ice merchants, refrigerating-storekeepers, warehousemen, wharfingers and general traders.
- (26) To carry on the business of chemists, druggists, drysalters, oil and colourmen and importers, exporters and manufacturers of and dealers in all pharmaceutical, medicinal, chemical, industrial, and other, preparations, articles and compounds, cements, oils, paints, pigments, and varnishes, drug, dye-ware paint and colour grinders, makers of and dealers in proprietary articles of all kinds and of electrical, chemical, 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.
- (27) To apply for purchase or 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.
- (28) 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.
- (29) 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 or taking on leases or hiring of land, buildings, offices, or premises or the prosecution of any works, under- takings, projects or enterprises connected with any of the said businesses or capable of being taken or carried on so as to directly or indirectly to benefit this Company.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

- (30) To invest the capital of the Company and make advances on all description of motor vehicles and other goods, wares and merchandise whether on mortgage or bill of sale or assignment and whether subject to hire-purchase agreements or otherwise and to seize, retake, sell, dispose of or repurchase the same and generally to finance the carrying on of the hire- purchase business in all its branches.
- (31) 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 recognized.
- (32) 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 stock (perpetual or terminable) charged as aforesaid or constituting or supported by a floating charge upon present and future property including uncalled and called unpaid capital.
- (33) To lend and advance money or give credit to such persons or companies and on such terms as may seem expedient, and in particular to customers, companies, corporation, firms and others having dealings with the Company, and to give guarantees or become surety and give security for any such persons or companies.
- (34) Subject to the provisions of any laws in force to buy and sell foreign currency and exchange and to accept money for remittance to all countries and accept deposit of money on loan at interest or without interest.
- (35) 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 realisation of or render profitable any of the Company's property or rights.
- (36) To advance, deposit, or lend money, securities and property, to or with such persons and on such terms as may seem expedient and to discount, buy, sell bills, notes, warrants, coupons and other negotiable or transferable documents.
- (37) To transact and carry on all kinds of agency business and in particular to collect rents and debts and to negotiate loans to find investment and to issue, place shares, stocks, debenture stocks or securities.
- (38) To administer trust estate, and the estates of deceased, bankrupt or insolvent persons or the property of companies in liquidation or any other estates liquidation and to undertake the office of trustee, executor, administrator, assignee, inspector, liquidator, custodian, guardian, treasurer, or any similar office, and to perform and discharge the duties of any such office for com- mission, or other remuneration, or otherwise.
- (39) To appoint any persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested and for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trustee or trustees.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

- (40) 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 or debenture stock or securities of such company and to subsidise or otherwise assist any such company.
- (41) To purchase or otherwise acquire and undertake the whole or any part of the business, goodwill, assets and liabilities of any person, firm or company carrying on or proposing to carry on any business which the Company is authorised to carry on or engage in or possessed of property suitable for the purposes of or that may be conducive to the interest of this Company and in particular so that the consideration may be wholly or partly satisfied by the allotment of shares, debentures, debenture stock or securities of the Company.
- (42) 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.
- (43) To subscribe for, take, underwrite, purchase, or otherwise acquire and hold shares, debentures, debenture stock or other interest in or securities of any other company having objects altogether or in part similar to those of this Company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company.
- (44) 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 or authority supreme, municipal, local or otherwise, whether at home or abroad.
- (45) 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.
- (46) 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.
- (47) To sell or dispose of all or any of the undertaking and assets of the Company for such consideration as the Company may think fit, and in particular for shares, debentures, debenture stock or securities of any company having objects altogether or in part similar to those of this Company.
- (48) 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.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

- (49) To enter into any arrangement with any governments or authorities, municipal, local or otherwise, that may seem conducive to the Company's objects, or any of them, and to obtain from 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.
- (50) 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.
- (51) 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.
- (52) 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 stock, perpetual or otherwise, charged upon, and by mortgage, charge, lien, debentures or debenture stock of and on the whole or any part of the Company's property or assets (both present or future), including its uncalled capital, and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company of any obligation or liability it may undertake.
- (53) 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 stock 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.
- (54) 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 at any time been employed by the Company or its predecessors in business and the dependants or relatives of such person or persons.
- (55) 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 or partly having or for any objects or purposes whatsoever.
- (56) 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.

The objects specified in each of the paragraphs in this Constitution shall be regarded as independent objects, and accordingly shall be in no way limited or restricted (except when otherwise expressed in such paragraph), by reference to the objects indicated in any other paragraph or the name of the Company, but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company, provided always that nothing in the Constitution contained shall empower the Company to carry on any life assurance or the business of Bankers within the meaning of Financial Services Act 2013.

And it is hereby declared that the word "Company" in this Constitution except where used in reference to this Company, shall be deemed to include any partnership or other body or persons, whether corporate or not incorporated and whatsoever domiciled.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

4. The Third Schedule of the Act shall not apply to the Company except in so far as the same are repeated or contained in these presents.
5. Subject to Applicable Laws, the Company shall be capable of exercising all the functions of a body corporate and have full rights, powers and privileges to attain or pursue the aforesaid objects. Power of the Company.
6. The liability of the members is limited.
7. In this Constitution the words standing in the first column of the table next, hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with subject or context. Interpretation.

WORDS	MEANING	Definition.
Applicable Laws	... 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 Listing Requirements and every 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.	
Authorised Nominees	... A person who is authorised to act as nominee as specified under the Rules.	
Beneficial owner	... The ultimate owner of the shares and does not include a nominee of any description.	
Central Depository	... Bursa Malaysia Depository Sdn Bhd, and its successors-in-title.	
Central Depositories Act	... The Securities Industry (Central Depositories) Act, 1991, and any statutory modification, amendment or re-enactment thereof for the time being in force.	
CMSA	... Capital Markets and Services Act 2007, and any statutory modification, amendment or re-enactment thereof for the time being in force.	
Depositor	... A holder of securities account established by the Depository.	
Deposited Security	... A security standing to the credit of a securities account and includes securities in a securities account that is in suspense.	
Dividend	... Dividend including bonus, if any.	
Document	... Any document required to be sent under the Listing Requirements to securities holder.	

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

Electronic address	...	Any address or number used for the purpose of sending or receiving documents or information by electronic means.
Electronic communication	...	A document or information is sent or supplied by electronic communication if it is sent initially, and received at its destination by means of electronic equipment for the processing (which expression includes digital compression) or storage of data, and entirely transmitted, conveyed and received by wire, by radio, by optical means or by other electromagnetic means.
Electronic form	...	Document or information sent or supplied in electronic form are those sent by “electronic communication” or by any other means while in an electronic form whereby a recipient of such document or information would be able to retain a copy.
Exchange		Bursa Malaysia Securities Berhad (Company No. 635998-W) or such other name as from time to time be altered to in accordance with this Constitution and/or the provisions of the Act.
Exempt Authorised Nominee	...	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.
In Writing	...	Written or produced by any substitute for writing, or partly one and partly another.
Listing Requirements	...	The Main Market Listing Requirements or Rules of the Exchange including any amendments or modifications to the same that may be made from time to time.
Major Shareholder	...	Major shareholder as defined in the Listing Requirements or any modification, amendment or re-enactment thereof for the time being in force.
Market days	...	Any day on which the stock market of the Exchange is open for trading in securities.
Member/Members	...	Unless otherwise expressed to the contrary, any person(s) for the time being holding one or more shares in the Company and whose name(s) appear in the Record of Depositors and includes a Depositor who shall be treated as if he were a member pursuant to Section 35 of the Securities Industry (Central Depositories) Act 1991 but excludes the Central Depository in its capacity as a bare trustee.
Month	...	Calendar month.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

Option	...	Includes options under a share scheme for employees, convertible securities and any other types of options in respect of the issued or unissued securities of a corporation.
Paid	...	Paid or credited as paid.
Record of Depositors	...	A record provided by the Central Depository to the Company under Chapter 24.0 of the Rules.
Registrar	...	Such person, firm or company which for the time being maintains in Malaysia, the register of securities holders.
Rules	...	The rules of Bursa Malaysia Depository Sdn Bhd, including any amendments that may be made from time to time.
Securities	...	As defined in Section 2(1) of the CMSA.
Securities Account	...	An account established by a Central Depository for the Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor.
Special Resolution	...	Has the meaning assigned thereto by Section 292 of the Act.
Share Issuance Scheme	...	A scheme involving a new issuance of shares to the employees.
The Company	...	The Company means Favelle Favco Berhad (Company No. 249243-W).
The Act	...	The Companies Act 2016 and any statutory modification, amendment or re-enactment thereof for the time being in force.
This Constitution	...	This Constitution as framed herein or as altered from time to time by Special Resolution.
The Directors	...	The Directors for the time being of the Company.
The Office	...	The Registered office for the time being of the Company.
The Secretary	...	The secretary shall include any person appointed to perform the duties of Secretary whether temporarily or otherwise.
The Seal	...	The common seal of the Company.
The shares	...	The shares of the Company.
Year	...	Year from 1 st day of January to the 31 st day of December, inclusive.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

Writing shall include printing and lithography and any other mode or modes of representing or reproducing words in a visible.

Words importing the singular number only shall include the plural number, and vice versa.

Words importing the masculine gender only shall include the feminine and neuter genders; and

Words importing persons shall include corporations.

The expressions “Debenture” and “debenture holder” shall include “debenture stock” and “debenture stock holder”, respectively.

Subject as aforesaid, any words or expressions defined in the Act shall, except where the subject or context forbids, bear the same meanings in this Constitution. Expression in Act to bear same meaning in Constitution.

8. (1) Without prejudice to any special rights previously conferred on the holders of any existing shares or classes of shares and subject to the Act and to this Constitution the shares shall be under the control of the Directors who may allot and issue the same to such persons and on such terms and conditions and at such time and consideration and with such preferred, deferred or other special rights or such restrictions whether in regard to dividend voting or return of share capital or otherwise and at such time or times as the Directors subject to any Ordinary Resolution of the Company may think fit but the Directors in making issue of shares shall comply with the following conditions:- Issue of Shares.
- (i) in the case of shares, other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution and in the resolution creating the same;
 - (ii) no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the Members of the Company in general meeting;
 - (iii) every issue of shares or options to employees and/or Directors of the Company shall be approved by the Members in general meeting and no Director shall participate in a Share Issuance Scheme unless such issues of shares or options and the specific allotment to be made to such Director have been approved by the Members in the general meeting.
- (2) Subject to the Act, any preference shares may with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed and the Company shall not unless with the consent of the existing preference shareholders at a class meeting issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited financial statements, and attending general meetings of the Company. Preference shareholders shall also have the rights to vote any meeting convened for the purpose of reducing the capital or Rights of preferences Shareholders.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

on capital or on a proposal to wind up the Company or during the winding up of the Company or sanctioning a sale of the undertaking or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months or such prescribed period as may be determined from time to time by the Applicable Laws. On a resolution to be decided on a show of hands, a holder of preference shares who is personally present and entitled to vote shall be entitled to one (1) vote.

9. Subject always to the compliance with the provisions of the Act and the requirements of the Act and the requirements of the Exchange and all other Applicable Laws, rules, regulations and guidelines for the time being in force, the Company may, with the sanction of the Members in a general meeting, purchase its own shares upon and subject to such terms and conditions as the Directors may, in their discretion deem fit or necessary, provided that the total aggregate number of shares to be acquired does not exceed the prescribed minimum amount as may be determined from time to time by the Exchange unless the prior approval of the Exchange has been obtained. Shares Buy-Back.
10. If at any time the share capital of the Company by reason of the issue of preference shares or otherwise is divided into different classes of shares, the repayment of such preference shares other than redeemable preferences shares and all or any of the rights and privileges attached to each class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the Act be varied, modified, commuted dealt with, affected or abrogated with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of that class but not otherwise. To every such separate General Meeting the provision of this Constitution relating to General Meetings of the Company and to proceedings thereat 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 (but so that if at any adjourned meeting a quorum as above defined is not present, any two (2) holders of shares of the class present in person or by proxy shall be a quorum). Provided however that in the event of the necessary majority not having been obtained in the manner aforesaid consent in writing may be secured from Members holding not less than seventy-five per centum (75%) of the issued shares total voting rights of the Members of the issued shares of the class and such consent if obtained within two (2) months from the date of the separate General Meeting shall have the force and validity of a special resolution duly carried by a vote in person or by proxy. To every such special resolution the provisions of Section 292 of the Act shall, with such adaptations as are necessary, apply. How special rights of shares may be varied.
11. The rights conferred upon the holders of the shares of any class 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 participation in the profits or assets of the Company in some or in all respect *pari passu* therewith but in no respect in priority thereto. Creation or issue of further shares.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

12. The Company must ensure that all new issues of shares for which listing is sought are made by way of crediting the securities accounts of the allottees with such shares 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 the Listing Requirements. For this purpose, the Company must notify the Central Depository of the names of the allottees and all such particulars required by the Central Depository, to enable the Central Depository to make the appropriate entries in the securities accounts of such allottees. New issue of Shares.
13. The Company may exercise the powers of paying commissions conferred by the Act 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 the rate of commission shall not exceed the rate of ten per centum (10%) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to ten per centum (10%) of such price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful. Power of paying commission and brokerage.
14. Where any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may, subject to approval of a court of competent jurisdiction and to the conditions and restrictions set out in the Act, pay interest or returns on the amount of such capital as is for the time being paid up and charge the interest or returns paid to share capital as part of the cost of construction works or buildings or the provision of the plant, as the case may be. Power payment of interest out of capital.
15. Except as required by law no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by this Constitution or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder. Trust not to be recognised.

LIEN OF SHARES

16. The Company must not cause or authorise its registrars to cause the securities accounts of the allottees to be credited with the additional shares until after it has filed with the Exchange an application for listing of such additional shares and been notified by the Exchange that they have been authorised for listing. Crediting of Securities Accounts.
17. The Company shall have a first and paramount lien on every share (not being a fully paid up share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share and interest thereon, such lien extending only to the specified shares on which such calls or instalments are for the time being unpaid and to all dividends from time to time declared in respect of such shares. The Company shall also have a first and paramount lien on all shares (whether fully paid or not) for all moneys which the Company may be called upon by law to pay in respect of the shares of any Member or deceased Member. Company to have a paramount lien.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

18. The Company may sell in such manner as the Directors think fit any shares on which the Company has a lien, but no sales shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen (14) days after a 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. Notice to pay amount due.
19. To give effect to any such sale the Directors may authorise some person or transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale and the remedy of the former holder of such shares or of any person claiming under or through him in respect of any alleged irregularity or invalidity shall be against the Company in damages only. Transfer forfeited share.
20. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue (if any), shall be paid to the Member whose shares have been sold or his executors, administrators, or assigns or as he directs. Application of proceeds of sale.

CALLS ON SHARES

21. (a) The Directors may, subject to the provisions of this Constitution, from time to time make such calls upon the Members in respect of all moneys unpaid on their shares as they think fit, and not by the conditions of the allotment thereof made payable at fixed times, provided no call shall be payable at less than one (1) month from the date fixed for the payment of the last preceding call and further provided that fourteen (14) days' notice at least is given of each call, and each Member shall be liable to pay the amount of every call so made upon him to the persons by the instalments (if any) and at the times and places appointed by the Directors. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. A call may be revoked or postponed as the Directors may determine. Calls when payable.
- (b) If under the terms of the issue of any shares or otherwise any amount is made payable at any fixed time or by instalments at any fixed times such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice had been given; and all provisions hereof with respect to the payment of calls and interests thereon or to the forfeiture of shares for non-payment of calls shall apply to such amount or instalments and the shares in respect of which they are payable. Evidence in action for call.
- (c) At the trial or hearing of any action or other proceeding for the recovery of any money due for any call it shall be sufficient to prove that the name of the Member sued is entered in the relevant register as the holder or one of the holders of the shares in respect of which such call was made, that the resolution making such call is duly recorded in the minute book of the Directors and that notice of such call was duly given to the Member sued according to the provisions of these presents and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of a debt due from the Members sued to the Company.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

22. If before or on the day appointed for payment thereof a call or instalment payable in respect of share is not paid, the holder or allottee of the share shall pay interest on the amount of the call at such rate not exceeding eight per cent (8%) per annum as the Directors shall fix from the day appointed for payment thereof to the time of actual payment, but the Directors may waive payment of such interest wholly or in part. Interest on call.
23. Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date, shall, for all purposes of this Constitution be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of this Constitution as to payment of interest and expenses, forfeiture and the like, and all other relevant provisions of this Constitution shall apply as if such sum were a call duly made and notified as hereby provided. Non-payment of calls.
24. The Directors may from time to time make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the time of payment of such calls. Arrangements and time for payment of calls.
25. The Directors may if they think fit, receive from any Member willing to advance the same all or any part of the moneys due upon his shares beyond the sums actually called up thereon and upon the moneys so paid in advance or so much thereof as exceeds the amount for the time being called upon the shares in respect of which such advance has been made the Directors may pay or allow such interest as may be agreed between them and such Member not exceeding eight per cent (8%) per annum (unless the Company in General Meeting shall otherwise direct). Capital paid up in advance of calls shall not whilst carrying interest confer a right to participate in profits. Capital paid in advance of calls.

INFORMATION OF SHAREHOLDING

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

TRANSFER OF SHARES

27. (1) Subject to this Constitution, the Rules, the Central Depositories Act, the Listing Requirements and rules of the Exchange any Member may transfer all or any of this shares by instrument in writing in the form prescribed and approved by the Exchange, the Act, and/or the Central Depositories Act as the case may be. Transfer in writing.
- (2) Subject to the Central Depositories Act and the Rules, the instrument of transfer of any share shall be executed by or on behalf of the transferor, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members or the Record of Depositors in respect thereof. Transferees' Right.
28. The transfer of any securities or class of securities of the Company, which have been deposited with the Central Depository, shall be by way of book entry by the Central Depository in accordance with the Rules 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 compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such securities. Transfer of securities.
29. The Central Depository may refuse to register any transfer of deposited security that does not comply with the Central Depositories Act and the Rules. Directors may refuse registration of transfers.
30. The transfer books and the Record of Depositors and debenture holders may be closed for such periods as the Directors think fit and not exceeding in the whole 30 days in each year provided that 10 market days' notice of intention in a nationally circulated Bahasa Malaysia or English daily newspaper circulating in Malaysia and any intention to fix a books closing date and the reasons thereof, stating the books closing date shall be at least 10 clear market days after the date of the announcement to the Exchange or such number of market days which the Exchange may stipulate from time to time. The transfer books and Record of Depositors may be closed for the purpose of determining persons entitled to dividends, interest, or new securities, or rights to a priority of application for issue of securities. The Company shall request the Central Depository in accordance with the Rules to issue a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than three (3) market days before the occurrence of the related event or such other period as may be required by the Exchange. Fixing of Books Closing Date.
31. Subject to the provisions of this Constitution the Directors may recognise a renunciation of any share by the allottee thereof in favour of some other persons.
32. In the case of the death of a Member, the executors or administrators of the deceased, shall be the only persons recognised by the Company as having any title to his interest in the shares.
33. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as may from time to time properly be required by the Rules and subject as hereinafter provided, elect either to be registered as the transferee thereof, but the Central Depository 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. Subject to the Rules, the Act, the Central Depositories Act and the Listing Death or bankruptcy of a Member.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

Requirements, a transfer of the share may be carried out by the person becoming so entitled.

34. If any person so becoming entitled shall elect to be registered himself he shall deliver or send to the Company a notice in writing signed by him and stating that he so elects provided that where the share is a Deposited Security and the person becoming so entitled elects to have the share transferred to him, the aforesaid notice must be served by him on the Central Depository. If he shall elect to have another person registered he shall testify his election by executing to that other person a transfer of the share. All the limitations, restrictions and provisions of the Rules and 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 or transfer were a transfer signed by that Member.
- Election of person entitled to be registered himself.

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

36. Where (if applicable)
- (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 in respect of such securities,
- Transmission of securities for securities listed on another stock exchange.

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

FORFEITURE

37. The notice shall specify a further day (not earlier than the expiration of fourteen (14) days from the date of the notice) on or before which the payment required by the notice is to be made and the place where payment is to be made and shall state that in the event of non-payment of such call or instalment, or such part as aforesaid, and all interest and expenses that have accrued by reason of such non-payment at or before the time and at the place appointed, the share in respect of which such call was made will be liable to be forfeited.
- Length of Notice.
38. (1) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture of shares shall include all dividends declared in respect of the shares not actually paid before the forfeiture notwithstanding that they shall have been declared.
- Failure to comply with notice.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

- (2) When any share has been forfeited in accordance with this Constitution notice of the forfeiture shall within fourteen (14) days of such forfeiture be given to the holder of the share or to the person entitled to the share by transmission as the case may be, and an entry of such notice having been made, and of the forfeiture with the date thereof shall forthwith be made in the register of members or Record of Depositors opposite to the share. Notice of forfeiture.
39. (1) A person whose share has been forfeited shall cease to be a Member in respect of the forfeited share(s), but shall, notwithstanding be liable to pay the Company all calls made and paid on such share(s) at the time of forfeiture and interest thereon to the date of payment in the same manner in all respects as if the share(s) had not been forfeited and to satisfy all (if any) the claims and demands which the Company might have enforced in respect of the share(s) at the time of forfeiture without any deduction or allowance for the value of the share(s) at the time of forfeiture. Liability to the Company of person whose shares are forfeited.
- (2) The forfeiture of a share shall involve the extinction at the time of all interest in and all claims and demands against the Company in respect of the share, and all other rights and liabilities incidental to the share as between the shareholder whose share is forfeited and the Company, except only such of those rights and liabilities as are by this Constitution expressly saved, or as are by the Act given or imposed in the case of past Members. Results of forfeiture.
40. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit. Notice of sale or disposal shall be sent to the holder of the shares sold or disposed of within fourteen (14) days of the date of sale or disposal. Directors may sell shares or cancel for forfeiture.
41. 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 on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Evidence of forfeiture.
42. (1) The Company may receive the consideration, if any, given for a forfeited share on any sale or disposition thereof and authorise some person to execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and he 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 disposal of the share. Any residue of the proceeds of sale of shares which are forfeited and sold or disposed of, after the satisfaction of the unpaid calls or instalments payable at fixed times and accrued interest and expenses, shall be paid to the person entitled to the shares immediately before the forfeiture thereof or his executors, administrators, or assignees or as he directs. Proceeds of sale.
- (2) The provisions of these Constitution as to forfeiture shall apply in the case of non-payment of any such which, by the terms of issue of a share, becomes payable at a fixed time, as if the same had been payable by virtue of a call duly made and notified.

CONVERSION OF SHARES INTO STOCK

43. (a) The Company may by ordinary resolution passed in General Meeting, convert any paid-up shares into stock, and may with the like sanction re-convert any stock into paid-up shares of any denomination. Conversion of shares into stock and reconversion.
- (b) Such of this Constitution as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” therein shall include “stock” and “stockholder” respectively. Definition.
44. 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; but the directors may from time to time fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum. Holders of stock may transfer their interests.
45. The holders of stock shall according to the amount of the stock held by them have the same rights, privileges, and advantages as regards dividends, voting at meeting of the Company, and other matters as if they held the shares, from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company) shall be conferred by any such part of stock as would not, of existing in shares, have conferred that privilege or advantage. Participation in dividends and profits.

ALTERATION OF CAPITAL

46. The Company in General Meeting may from time to time by ordinary resolution, increase its capital by the creation and issue of new shares, carrying such rights or to be subject to such conditions or restrictions in regards to dividend return of capital or otherwise as the Company by the resolution authorising such increase directs. Power to increase capital.
47. Subject to any direction to the contrary that may be given by the Company in General Meeting any original shares for the time being unissued and any new shares from time to time to be created, shall before they are issued, be offered to the Members in proportion as nearly as may be to the number of shares held by them. Such offer shall be made by notice specifying the number of shares offered and limiting a time within which the offer if not accepted will be deemed to be declined, and after the expiration of such time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may subject to this Constitution, dispose of the same in such manner as they think most beneficial to the Company. The Directors may in like manner dispose of any such new or original shares as aforesaid which, by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered under this Constitution. Shares to be offered to Members before issue.
48. Except so far as otherwise provided by the conditions of issue, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company, and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the original share capital. New shares otherwise subject to provision of Constitution.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

49. The Company may by Ordinary Resolution either:
- (a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; Power to consolidate shares.
 - (b) 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 in such manner allowed by law; Power to cancel shares.
 - (c) subdivide its shares or any part thereof, whatever is in the subdivision, the proportion between the amount paid and the amount (if any) unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; and convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares; Power to subdivide shares.
 - (d) convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares; and Power to convert shares.
 - (e) alter its capital in such other manner permitted by the Applicable Laws as may be amended from time to time.
50. The Company may by Special Resolution, reduce its share capital in any manner subject to the conditions, requirements and consents required under the Act. Power to reduce capital.

BORROWING POWERS

51. The Directors may from time to time at their discretion raise or borrow for the purposes of the Company such sums of moneys as they think proper. Borrowing powers of directors.
52. The Directors may raise or secure the payment of such money or give security for any debt, liability or obligation of the Company or its subsidiaries in such manner and upon such terms and conditions in all respect as they think fit, and in particular by the issue of Debentures or Debenture Stock of the Company, charged upon all or any part of the property of the Company (both present and future), including uncalled capital, or by means of Charges, Mortgages, Bonds and Dispositions in Security or Bonds of Cash-Credit, with or without power of sale, as the Directors shall think fit PROVIDED THAT the Directors shall not borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property or any uncalled capital or issue debentures and other securities whether outright or as security for any debt liability or obligation of an unrelated third party. What security may be given.
53. Debentures, Debenture Stock or other Securities may be made assignable free from any equities between Company and the person to whom the same may be issued. Debenture may be assignable.
54. Any Debentures, Debenture Stock, Bonds or other Securities may be issued at a discount, premium or otherwise, with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at General Meetings of the Company, appointment of Directors and otherwise. Conditions of issue.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

55. The Directors shall cause a proper Register to be kept, in accordance with the provisions of the Act of all mortgages and charges especially affecting the property of the Company. Register to be kept.
56. The sum payable for each inspection of the Register of Charges is subject to the prevailing rate of the Act. Cost of inspection.

GENERAL MEETINGS

57. An annual general meeting of the Company shall be held in accordance with the provisions of the Act. All general meetings shall be held at such time, date and place as the Directors shall determine. Every notice of an annual general meeting shall specify the meeting as such and every meeting convened for passing a special resolution shall state the intention to propose such resolution as a special resolution. Subject to the provisions of the Act, whenever the Directors may think fit, such meeting of its Members may be held at more than one (1) venue using any technology or method that allows Members to participate and exercise the Members' rights. The main venue of the meeting shall be in Malaysia and the chairperson shall be present at the main venue of the meeting. Annual General Meeting.
58. Every general meeting of the Company other than an "Annual General Meeting" shall be called an "Extraordinary General Meeting". Extraordinary General Meeting.
59. The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition as is referred to in the Act. Convening of Extraordinary General Meeting.

NOTICE OF GENERAL MEETINGS

60. (a) Subject to the provisions of the Act, the notices convening meetings shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting or any minimum period and means prescribed by Applicable Laws as may be amended from time to time, where any special resolution is to be proposed or where it is an annual general meeting. Notice of general meetings.
- (b) At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia and English daily newspaper and in writing to each Stock Exchange upon which the Company is listed or any minimum period and means prescribed by Applicable Laws as may be amended from time to time at the same time as shareholders are notified. Advertisement of Notice.
- (c) A meeting shall notwithstanding that it is called by notice shorter than that it is required in this Constitution be deemed to be duly called if it is so agreed:- Shorter Notice.
- (i) in the case of an annual general meeting, by all Members, where applicable, entitled to attend and vote thereat; or
- (ii) in the case of any other meeting, by a majority in number of Members

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

having a right to attend and vote thereat, being a majority which together holds not less than ninety-five per centum (95%) of the shares giving a right to attend and vote;

provided also that the accidental omission to give notice to, or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any general meeting.

- (d) The Company shall request the Central Depository in accordance with the Rules, to prepare a Record of Depositors to whom notices of general meeting shall be given by the Company. Record of Depositors.
- (e) The Company shall request the Central Depository in accordance with the Rules to prepare a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than three (3) market days before the general meeting (hereinafter referred to as “the General Meeting Record of Depositors”). The General Meeting Record of Depositors shall be the final record of all depositors who shall be deemed to be the registered holders of ordinary shares of the Company eligible to be present and vote at such meetings. General meeting Record of Depositors.
- (f) Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations, 1996 (where applicable) and notwithstanding any provision in the Act, 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.
61. (a) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him and that a proxy need not be a Member. Content of notice.
- (b) In the case of an Annual General Meeting the notice shall also specify the meeting as such.
- (c) The date of the General Meeting Record of Depositors in Clause 60(e) of this Constitution must be included in the notice for the purpose of determining whether the depositor shall be regarded as a Member entitled to attend, speak and vote at the meeting.
- (d) In the case of any general meeting at which business other than ordinary business is to be transacted, the notice shall specify the general nature of the business; and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice shall contain a statement to that effect.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

62. (1) Ordinary business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:- Ordinary business.
- (i) Declaring dividends;
 - (ii) To receive the Audited Financial Statements and the Reports of Directors and Auditors thereon;
 - (iii) Approving the amount of Directors' fees and benefits payable;
 - (iv) Electing Directors in the place of those retiring or otherwise; and
 - (v) Appointing Auditors and authorising Directors to fix the remuneration of the Auditors.
- (2) 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. Special Business.
63. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. For all purposes the quorum shall be two (2) Members personally present or by proxy. For the purposes of this Clause "Member" includes a person attending as a proxy or representing a corporation which is a Member. Quorum at General Meeting.
64. If within half an hour of the time appointed for the holding of a General Meeting a quorum is not present the meeting if convened on the requisition of Members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day be a public holiday then to the next business day following the public holiday) at the same time and place, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting it shall be dissolved. If quorum not present meeting adjourned or dissolved.
65. The Chairman (if any) of the Board of Directors or in his absence the Deputy Chairman (if any) shall preside at every General Meeting, but if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same or shall be unwilling to act as Chairman the Directors present shall choose one of their Members to act as Chairman but if no Director be present, or if all the Directors present decline to take the chair, the Member shall choose one of their number present to be Chairman of the meeting. The election shall be by show of hands. Chairman of General Meeting.
66. Without prejudice to any other power which the Chairman may have under the provisions of this Constitution or at common law and subject to the Act and the Listing Requirements, the Chairman shall have full discretion on the general conduct of meeting, procedures to be adopted at the meeting to ensure proper and orderly conduct of the business of all general meetings and the Chairman's decision on matters of procedure or arising incidentally from the business of such meetings shall be final, as shall be his determination as to whether any matter is of such a nature. This may include, demanding that debate or discussion on any business, question, motion or resolution being ended or that the business, question, motion or resolution be put to a vote of the shareholders or so that the meeting reflects the wishes of the majority. The Chairman may also at his discretion and in accordance with applicable laws, decides whether to admit new business at a meeting of shareholders. Chairman to Promote Orderly Conduct of the Business of All General Meeting.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

67. The Board of Directors (“Board”) can ask shareholders, Members or proxies wanting to attend the general meeting to submit, to searches or other security screening arrangements which the Board decide. The Board can, in their discretion refuse entry to, or remove from, a general meeting, a shareholder or proxy who does not submit to those searches or comply with those security screening arrangements. Security screening arrangements may include shareholders or proxies not being allowed in to a general meeting with recording or broadcasting devices or an article which the Chairman of the meeting considers to be dangerous, offensive or liable to cause disruption. Security arrangement.
68. The Chairman may, with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for thirty (30) days or more notice of such meeting shall be given in the same manner as in the case of an original meeting. Save as aforesaid, no Member shall be entitled to any notice of an adjournment or of the business to be transacted at an adjourned meeting. Except as provided by the Act in the case of the Statutory Meeting no business shall be transacted at any adjourned meeting other than the businesses which might have been transacted at the meeting from which the adjournment took place. Notice of adjournment to be given.
69. Any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting shall be voted by poll in accordance to the Listing Requirements. How resolutions decided.
- Subject to the Listing Requirements, at any General Meetings of the Company, a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or upon the declaration of the result of the show of hands, a poll may be demanded in writing either:-
- (a) by the Chairman of the meeting;
 - (b) by at least three (3) Members present in person or by proxy or by attorney or in the case of a corporation by a representative;
 - (c) by any Member or Members present in person or by proxy or by attorney or in the case of a corporation by a representative and representing not less than one-tenth (1/10) of the total voting rights of all the Members having the right to vote at the meeting, excluding any voting rights attached to shares in the Company held as treasury shares; or
 - (d) by a Member or Members present in person or by proxy or by attorney or in the case of a corporation by a representative holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid-up equal to not less than one-tenth (1/10) of the total sum paid-up on all the shares conferring that right, excluding any voting rights attached to shares in the Company held as treasury shares.

Unless a poll be so demanded a declaration by the Chairman of the meeting that a resolution has been carried, or has been carried unanimously or by a particular majority, or lost, or not carried by a particular majority, shall be conclusive and an entry to that effect in the Minute Book of the Company shall be conclusive evidence thereof without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

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| 70. | If a poll be demanded in the manner aforesaid in Clause 69 or if mandated under the Listing Requirements, it shall be taken at such time and place and in such manner as the Chairman shall direct (by way of electronic voting or otherwise), and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. | Poll to be taken as Chairman shall direct. |
| 71. | If any votes be 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 not in any case unless it shall in the opinion of the Chairman be of sufficient magnitude. | Votes counted in errors. |
| 72. | No poll be demanded on the election of a Chairman of a meeting, or on any question of adjournment. | No poll in certain cases. |
| 73. | In the case of an equality of votes either on a show of hands or at a poll, the Chairman of any meeting shall be entitled to a further or casting vote. | Chairman to have casting vote. |
| 74. | The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business, other than the question on which a poll has been demanded. | Business to be continued if poll demanded. |

VOTES OF MEMBERS

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| 75. | On a show of hands every Member who is present in person or by proxy shall have one vote. In case of a poll every Member holding ordinary shares who is present in person or by proxy shall have one vote for every ordinary share held by him. | Votes of Members. |
| 76. | If any Member becomes lunatic or be found to be of unsound mind, he may vote by his committee or other legal curator; and such committee or other legal curator may give his or their votes either personally or by proxy. | Vote of lunatic Member. |
| 77. | 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. | Voting rights of shares of different monetary denominations. |
| 78. | (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. A proxy may but need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy. 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. Each proxy appointed to attend and vote at a meeting of the Company, shall represent a minimum of one hundred (100) shares and have the same rights as the Members to speak at the meeting. | Rights to appoint proxy and rights to vote. |
| | (b) No objection shall be raised to the qualification of any vote 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 | |

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.

- (c) Where a Member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with no ordinary shares of the Company standing to credit of the said securities account. Appointment of not more than two proxies.
- (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.
- (e) Where a Member of the Company is an exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxy which the exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
79. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation’s seal or under the hand of an officer or attorney duly authorised. The Directors may, but shall not be bound to, require evidence of the authority of any such attorney or officer. A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy without limitation save that the proxy must be of full age. How instrument to be executed.
80. The instrument appointing a proxy shall be left at the Company’s Registered Office or such other place in Malaysia as it 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. Instrument to be left at Company’s office.
81. (1) Subject to the Act and the Listing Requirements, the Directors or any agent of the Company so authorised by the Directors, may accept the appointment of proxy received by electronic communication on such terms and subject to such conditions as they consider fit. The appointment of proxy by electronic communication shall be in accordance with this Constitution. Appointment of proxy via electronic communication.
- (2) For the purpose of this Clause, the Directors may require such reasonable evidence they consider necessary to determine:-
- (a) the identity of the Member and the proxy; and
- (b) where the proxy is appointed by a person acting on behalf of the Member, the authority of that person to make the appointment.
- (3) Without prejudice to this Clause, the appointment of proxy by electronic communication must be received at the electronic address specified by the Company in any of the following sources and shall be subject to any terms, conditions or limitations specified therein:-
- (a) Notice calling the meeting;
- (b) Instrument of proxy sent out by the Company in relation to the meeting;
- (c) Website maintained by or on behalf of the Company; or

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

(d) Electronic platform maintained by the Company or third parties.

- (4) An appointment of proxy by electronic communication must be received at the electronic address specified by the Company pursuant to Clause 81(3) not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the form of appointment of proxy 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.
- (5) An appointment of proxy by electronic communication which is not made in accordance with this Clause shall be invalid.

82. Any instrument appointing a proxy shall be in the following form or as near thereto as circumstances will admit or in such other form as the Exchange may approve:- Form of proxy.

FAVELLE FAVCO BERHAD (249243-W)

Number of Shares Held
CDS Account No

*I/*We _____ NRIC No./Passport No./Company No. _____ of _____ (full address) _____ being a Member/Members of **Favelle Favco Berhad**, hereby appoint Mr/Ms _____ NRIC No./Passport No. _____ of _____ (full address) _____ or failing whom, Mr/Ms _____ NRIC No./Passport No. _____ of _____ (full address) _____ as *my/*our proxy to vote for *me/*us and on *my/*our behalf at the *Annual/*Extraordinary General Meeting of the Company, to be held at _____ on the _____ day of _____ 20____ and, at any adjournment thereof.

The Proportion of *my/*our holding to be represented by *my/*our proxies are as follows:

Proxy 1	%	Proxy 2	%	100%
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*My/*Our proxy(ies) is/are to vote as indicated below:

RESOLUTION	FOR	AGAINST

Please indicate with (X) on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Dated this ___ day of ___ 20____

(Signature/Common Seal of Shareholders)

(*Delete if not applicable)

Notes:

A Member entitled to attend and vote at this meeting is entitled to appoint more than two (2) proxies to attend, speak and vote in his or her stead. Each proxy appointed shall represent a minimum of one hundred (100) shares. A proxy may but need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

The instrument appointing a proxy shall be in writing under the hand 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 an officer or attorney duly authorised.

Where a Member appoints two (2) proxies, the appointment shall be invalid unless the Member specifies the proportion of his/her holdings to be represented by each proxy.

The duly completed Proxy Form must be deposited at the registered office of the Company or such other place in Malaysia as is specified not less than forty-eight (48) hours before the time set for holding the meeting or adjournment thereof.

83. (a) A vote given in accordance with the term of an instrument of proxy or attorney or authority shall be valid, notwithstanding the previous death or unsoundness of mind of the principal or revocation of the instrument or of the authority under which the instrument was executed, or the transfer of the share in respect of which the instrument is given, if no intimation in writing of such death, unsoundness of mind, revocation or transfer as aforesaid has been received by the Company at its Registered Office before the commencement of the meeting at which the instrument is used. Right exercisable by attorney.
- (b) Every power, right, privilege herein given in Clauses 60 to 81 hereof both numbers inclusive, to any Member of the Company to convene, attend, vote, speak at and in any way take part in any meeting of the Company, may be exercised by any attorney or attorneys duly appointed by such Member provided that the Power of Attorney is produced at the registered office of the Company during business hours at least forty-eight hours before the same is acted on. And any vote given or things done by such attorney or attorneys shall be valid notwithstanding the previous death of the Member giving such Power of Attorney provided no intimation in writing of the death or revocation shall have been received at the Registered Office of the Company and before such vote is given or thing done.
- (c) 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 common 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 on the appointed proxy to demand or join in demanding a poll. Corporate Representative.
- (d) Any corporation which is a Member of the Company may by resolution of its directors or other governing body authorise not more than two (2) persons as it thinks fit to act as its representatives at any Meeting of the Company or of any class of Members of the Company and the persons so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation would exercise as if it were an individual Member of the Company.

DIRECTORS: APPOINTMENT, REMOVAL ETC.

84. Until otherwise determined by general meeting the number of Directors shall not be less than two (2) nor more than twelve (12) but in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum the Number of directors.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

purpose of increasing the number of Directors to such minimum number or to summon a general meeting of the Company but not for any other purpose.

85. At the first annual general meeting of the Company all the Directors shall retire from office, and at the annual general meeting in every Subsequent year one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office and be eligible for re-election. 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. Retirement of Directors.
86. The Directors to retire in each 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. Election of Directors to retire.
87. No person not being a retiring Director shall be eligible for election to the office of Director at any general meeting unless some Member intending to propose him has, at least eleven (11) clear days before the meeting, left at the office 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, provided that the case of a person recommended by the Directors for election, nine (9) clear days' notice only shall be necessary, and notice of each and every candidature for election to the Board of Directors shall be served on the registered holders of shares at least seven (7) clear days prior to the meeting at which the election is to take place. Notice of consent to be nominated as Director.
88. At any general meeting at which more than one 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. Motion for Appointment of Directors.
89. 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. An election of Director shall take place each year. Increase or Reduction of Number of Directors.
90. The Company may by Ordinary Resolution of which special notice is given remove any Director before the expiration of his period of office, and may if thought fit, by Ordinary Resolution appoint another Director in his stead. The person so appointed shall hold office for so long as the Director in whose place he is appointed would as if he had not been removed. Removal of Directors.
91. The Directors shall have power at any time, and from time to time appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that 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 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. Power to fill vacancy or to add Director.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

92. The remaining Directors may continue to act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by or pursuant to the Constitution of the Company, the remaining Directors may, except in an emergency, act only for the purpose of increasing the number of Directors to such minimum number, or to summon a general meeting of the Company. Proceedings in case of vacancy.
93. The shareholding qualification for Directors may be fixed by the Company in general meeting and until so fixed no shareholding qualification for Directors shall be required. All Directors shall be entitled to receive notice of and to attend all general meetings of the Company. Directors Qualification.

REMUNERATION OF DIRECTORS

94. The fees and any benefits payable to the Directors of the Company and its subsidiaries including any compensation for loss of employment of Director or former Director shall be subject to annual shareholder approval at a general meeting in in such proportions and manner as the Director may determine Provided Always that:
- (a) fee payable to Non-Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover and which shall not exceed the amount approved by shareholders in a general meeting;
 - (b) salaries payable to Executive Directors may not include a commission on or percentage of turnover;
 - (c) remuneration payable to Directors shall be subject to such manner as prescribed by the Applicable Laws as may be amended from time to time.
95. (1) The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board Meetings of the Company. Reimbursement of Expenses.
- (2) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Company in general meeting and such remuneration may be either in addition to or in substitution for his share in the remuneration from time to time provided for the Directors. Any extra remuneration payable to a non-executive. Director shall not include a commission on or percentage of profits or turnover.

DISQUALIFICATION OF DIRECTORS

96. (a) The office of a Director shall be vacated in any one of the following events namely: When office of Director deemed vacant.
- (b) if he becomes disqualified from being a Director under Sections 198 or 199 of the Act;
- (c) if he has retired in accordance with the Act or this Constitution but is not re-elected;
- (d) if he resigns by giving notice in writing under his hand left at the Office;
- (e) if he dies;
- (f) if he becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
- (g) if he be removed from office in accordance with the Act or this Constitution;
- (h) if he is absent from more than fifty percent (50%) of the total Board of Directors' meetings held during a financial year save and except in a case where the Exchange has granted a waiver to the Director from compliance with this requirement; or
- (i) if he is convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences set out in Paragraph 15.05(1) of Chapter 15 of the Listing Requirements.

ALTERNATE DIRECTORS

97. (a) Any Director may at any time by writing under his hand and deposited at the office appoint any person to be his alternate Director and may in like manner at any time terminate such appointment. Except that the appointment of any such alternate Director shall not take effect until approved by the majority of the other Directors PROVIDED ALWAYS THAT such person is not a director of the company and such person does not act as an alternate for more than one director of the company. An alternate Director shall be entitled to receive from the Company such proportion (if any) of the fee deducted from the appointing Director's remuneration. Provision for appointing and removing alternate Directors.
- (b) The appointment of an alternate Director shall ipso facto determine:
- (i) on the happening of any event which if he were a Director would render him legally disqualified from acting as a Director; or
- (ii) if he has a receiving order made against him or compounds with his creditors generally; or
- (iii) if he becomes of unsound mind; or
- (iv) if his appointor ceases for any reason to be a Director.
- (c) An alternate Director shall (subject to his giving the Company an address within Malaysia at which notices of meetings of the Directors may be sent) be

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

entitled to receive notice of and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally in the absence of his appointor to perform all the functions of his appointor as a Director.

(d) An alternate Director may be re-paid by the Company such expenses as might properly be repaid to him if he were a Director and he shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but save as aforesaid he shall not in respect of such appointment be entitled to receive any remuneration from the Company.

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

POWERS AND DUTIES OF DIRECTORS

99. The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not by the Act or by this Constitution required to be exercised by the Company in General Meeting, subject nevertheless to any regulations of this Constitution to the provisions of the Act, and to such regulations or provisions as may be prescribed by Special Resolution of the Company but no regulations so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Clause shall not be limited or restricted by any special authority or power given to the Directors by any other Clause. Provided that any sale or disposal by the Directors of the Company's main undertaking shall be subject to ratification by the members in General Meeting.

General power of Directors to manage Company's business.

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

Power to establish local Board, etc.

101. The Directors shall not without the prior approval of the Company in general meeting unless otherwise permitted under the Act:-

Approval of the Company required.

(i) exercise any power of the Company to issue shares;

(ii) arrange or enter or carry into effect any proposal or execute any transaction for the acquisition of an undertaking or property of a substantial value, or the disposal of a substantial portion of or controlling interest in the Company's undertaking or property (the term "undertaking or property" includes the whole or substantially the whole of the rights, including developmental rights,

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benefits or control in the undertaking or property);

- (iii) subject to Sections 228(2) and 229 of the Act, enter or carry into effect any arrangement or transaction with a Director or a substantial shareholder of the Company or its holding Company, or its subsidiary or with a person connected with such a Director or substantial shareholder to acquire from or dispose to such Director or substantial shareholder or person connected with such a Director any shares or non-cash assets of the requisite value as stated in the Act; or
- (iv) issue any securities on such terms and subject to such conditions which confer a right to subscribe for new shares of the Company.

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| 102. | The Directors may from time to time by power of attorney under the Seal appoint any company, firm or person or any fluctuating body of persons whether nominated directly or indirectly by the Directors to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with such attorney as the Directors may think fit and may also authorise any such attorney to subdelegate all or any of the powers, authorities and discretions vested in him. | Power to appoint Attorneys. |
| 103. | The Company may exercise the power conferred by the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors. The Company may also have a "Share Seal" pursuant to Section 63 of the Act. | Power to have a seal for use abroad. |
| 104. | All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine. | Signatures of cheques and bills. |
| 105. | The Directors may establish or arrange any contributory or non-contributory pension or super-annuation scheme for the benefit of, or pay a gratuity, pension or emolument to, any person who is or has been employed by or in the service of the Company or any subsidiary of the Company, or to any such person who is or has been a Director or other officer of and holds or has held salaried employment in the Company or any such subsidiary, and the widow, family or dependants of any such person. The Directors may also subscribe to any association or fund which they consider to be for the benefit (if the Company or any such subsidiary or any such persons as aforesaid and make payments for or towards any hospital or scholastic expenses, and any Director holding such salaried employment shall be entitled to retain any benefit received by him hereunder subject only, where the Act requires, to proper disclosure to the Members and the approval of the Company in general meeting. | Power to maintain pension or fund. |

PROCEEDINGS OF DIRECTORS

106. (a) Subject to this Constitution, the Directors may meet together for the despatch of business, adjourn or otherwise regulate their meetings as they think fit. Any Director may at any time and the Secretary shall on the requisition of any of the Directors summon a meeting of the Directors. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality

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of votes the Chairman of the Meeting shall have a second or casting vote except that where at the meeting only two (2) Directors form the quorum or are competent to vote on the question at issue the Chairman shall not have a second or casting vote.

- (b) It shall not be necessary to give any Director or alternate Director, who has not given an address in Malaysia, registered with the Company, notice of a meeting of the Directors. Unless otherwise determined by the Directors from time to time notice of all Directors' meetings shall be given to all Directors and their alternates, who have a registered address in Malaysia. Except in the case of an emergency, reasonable notice of every Directors' meeting shall be given in writing and the notice of each Directors' meeting shall be served in the manner referred to in this Constitution in relation generally to notices and this Constitution in relation to notices shall apply *mutatis mutandis* to the service of notice of Directors' meetings on Directors as they apply to the service of notices on Members of the Company. Notice of Directors Meetings.
- (c) A person may participate in a meeting of the Board or any committee of the Board by conference telephone, such other electronic form or such other communication facilities which would permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. Meetings by telephonic or other electronic communications.
- (d) Participation by a person in a meeting by conference telephone, electronic or such other communication facilities shall be treated as presence in person by that person at the said meeting and shall be counted towards the quorum notwithstanding the fact that he/she is not physically present at the venue where the meeting is to be held. For the avoidance of doubt, such a meeting shall be deemed to be held at the place where the chairman of the meeting is at the start of the meeting.
107. Notice of any meeting of the Directors may be given by telephone or facsimile and the contemporaneous linking together by telephone or such other electronic communication media of a number of the Directors being not less than the quorum shall be deemed to constitute a meeting of the Directors wherever in the world they are, as long as:
- (i) the quorum of Directors is met;
 - (ii) at the commencement of the meeting each Director acknowledges the presence thereof to all the other Directors taking part and such participation shall be deemed to be presence in person;
 - (iii) each of the Directors taking part is able to be heard and hear each of them subject as hereinafter mentioned throughout the meeting;
 - (iv) the Directors present at the commencement of the meeting do not leave the meeting by disconnecting the telephone, but the meeting shall be deemed to have been conducted validly notwithstanding that the telephone or electronic communication media is accidentally disconnected during the meeting and provided that no discussions or decisions should be made in respect of matters by the Directors during the disconnection and that if the telephone or electronic communication media cannot be re-connected at all, the meeting shall then be adjourned;
 - (v) all information and documents are made equally available to all participants prior to or at/during the meeting; and

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- (vi) a minutes of the proceedings shall be sufficient evidence thereof and of the observance of all necessary formalities if certified by both the Chairman and the Secretary of the Company.
108. The quorum necessary for the transaction of business of the Directors may be fixed by the Directors and unless so fixed shall be two (2) Directors and a meeting of the Directors at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretion by or under this Constitution vested in or exercisable by the Directors generally. Quorum.
109. The Directors may elect a Chairman who shall preside at Meetings of Directors and they may determine the period for which he is to hold office, but if no such Chairman be nominated or if at any Meeting the Chairman be not present within five (5) minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting. Election of Chairman.
110. The Directors may delegate any of their powers to a Committee consisting of such members of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors. Power to appoint committees.
111. A Committee may elect a Chairman of its meetings. If no such Chairman is elected or if at any meeting the Chairman is not present within five (5) minutes after the time appointed for holding the same the members present may choose one of their number to be Chairman of the meetings.
112. A Committee may meet and adjourn its meeting as its members think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes the Chairman shall not have a second or casting vote. Proceedings at committee meetings.
113. All acts bona fide done by any meeting of Directors or of a committee of Directors or by any person acting as a Director shall, notwithstanding it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified be as valid as if every such person had been duly appointed and was qualified to be a Director. Validity of acts of Directors.
114. The Directors shall cause proper minutes to be made of all General Meetings of the Company, and also of all appointments of officers and of the proceedings of all meetings of Directors and committees, and of the attendances thereat, and all business transacted at such meetings, and any such minute of any meeting, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting shall be conclusive evidence, without any further proof, of the facts the reinstated. Minutes to be kept.
115. A resolution in writing signed by all the Directors shall be as effective for all purposes as a resolution passed at a meeting of the Directors duly convened, held and constituted. In case any Director is absent from Malaysia a resolution signed by all the other Directors, (not being less than two), shall be valid and effectual. Resolution in writing.

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116. Any Director who is appointed to any executive office including the office of Chairman or who serves on any committee or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Directors may determine but not a commission on or percentage of turnover. Extra remuneration.
117. The Directors shall have power to pay and agree to pay pensions or other retirement, super-annuation, death or disability benefits to any person in respect of a Director or ex-Director who may hold or have held any executive office or any office of profit under the Company or any subsidiary company and for the purpose of providing any such pensions or other benefit to contribute to any scheme or fund or to pay premiums. Pensions for directors.
118. A Director who is in any way, whether directly or indirectly interested in a contract or proposed contract with the Company shall declare the nature of his interest in accordance with the provisions of the Act. Declaration of interest.
119. (a) A Director shall not vote in respect of any contract or arrangement in which he is interested whether directly or indirectly and if he should do so his vote should not be counted, nor shall he be counted in the quorum present at the meeting but neither of these prohibitions shall apply to:
- (i) any arrangement for giving any Director any security indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
 - (ii) any arrangement for 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 has assumed responsibility in whole or in part under guarantee or indemnity or by the deposit of a security;
- and these prohibitions may at any time be suspended or released to any extent, neither generally or in respect of any particular contract, arrangement or transaction, by the Company in General Meeting.
- (b) Subject always to Sections 219, 221 and 228 of the Act a Director may hold any other office or place of profit under the Company (other than the office of 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 and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or any arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided nor shall a Director so contracting or being so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. Director may hold other office under the Company.
- (c) A Director notwithstanding his interest may 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 Director appointed at a meeting to hold other office to be counted in

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- other Company or whereat the Directors resolve to enter into or make any arrangement with him or on his behalf pursuant to this Constitution, or whereat the terms of any such appointment or arrangements as herein-before mentioned are considered he may vote on any such matter other than in respect of the appointment or arrangements with himself or the fixing of the terms thereof. the quorum.
- (d) Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, providing that nothing herein contained shall authorise a Director or his firm to act as auditor of the Company. Director may act in a professional capacity.
- (e) A general notice that a Director, alternate Director or Managing Director is a member of or interested in any specified firm or corporation with whom any contract is proposed to be entered into in relation to the affairs of the Company and is to be regarded as interested in all transactions with such firm or corporation shall be a sufficient disclosure under this Clause as regards such Director and the said transaction and after such general notice it shall not be necessary for such Director to give any special notice relating to any particular transaction with such firm or corporation. General notice of interest contract.
- (f) A Director of the Company may be or become a Director or other officer of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise 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 Directors 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 corporations such manner and in all respect as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the Directors or other officers of such corporation), and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or is about to be appointed a Director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid. Director's interest in corporation promoted by Company.

MANAGING DIRECTORS

120. The Directors may from time to time appoint any one or more of their body to be Managing Director or Managing Directors for a period of three (3) years and upon such terms as they think fit, and may vest in such Managing Director or Managing Directors the powers hereby vested in the Directors generally as they may think fit, but subject thereto such Managing Director or Managing Directors shall be subject to the control of the Board.
121. The remuneration of a Managing Director or Managing Directors shall be fixed by the Directors and may be by way of salary or participation in profits or otherwise or by any or all of these modes but shall not include a commission on or percentage of turnover. Remuneration of Managing Director.
122. A Managing Director shall, while he continues to hold that office, be subject to retirement by rotation and he shall be reckoned as a Director for the purpose of Managing Director

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determining the rotation or retirement of Directors or fixing the number of Directors to retire, and he shall be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director for any cause he shall immediately cease to be a Managing Director. subject to retirement by rotation.

SECRETARY

123. (a) The Secretary or Secretaries of the Company shall be appointed by the Directors for such term or terms at such remuneration and upon such conditions as they may think fit, and any Secretary or Secretaries so appointed may be removed by them, but without prejudice to any claim he or they may have for damages for any breach of contract of service against the Company. The Secretary may resign from his office by giving notice to the Board and his resignation shall take immediate effect. Appointment and Resignation of Secretary.
- (b) 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. Appointment of substitute.

COMMON SEAL

124. The Seal shall not be affixed to any instrument except by authority of a resolution of the Board of Directors, and in the presence of at least two (2) Directors or one Director and the Secretary or such other person as the Directors may appoint for the purpose and such two (2) Directors or one Director and the Secretary or other persons as aforesaid shall sign every instrument to which the Seal shall be affixed in their presence, and in favour of any person bona fide dealing with the Company such signatures shall be conclusive evidence of the fact that the Seal has been properly affixed. The Directors may by resolution determine that such signatures may be fixed by some mechanical electronic facsimile signatures or such other means to be specified by the Directors from time to time in such resolution. Seal to be affixed by authority of resolution of board and in presence of two directors or one director and Secretary.

DIVIDENDS AND RESERVE FUND

125. Subject to the provisions hereinafter contained and to preferential or other special rights as to dividends for the time being attached to any preference shares or any other special class of shares in the capital of the Company, all dividends shall be declared and paid according and in proportion to the amounts paid up or credited as paid up on the shares whereof the dividend is paid; provided that where capital is paid up on any shares in advance of calls, such capital shall not whilst carrying interest confer a right to participate in profits unless the Directors shall have expressly agreed in writing that such capital shall participate in profits. Apportionment of dividends.
126. (a) The Directors may with the sanction of a General Meeting from time to time declare dividends, but no such dividends shall be payable except out of profits of the Company, provided that the Company is solvent and the Directors may, if they think fit from time to time pay to the Members such interim dividends as appear to them to be justified by the profits of the Company. Declaration of dividends.
- (b) The Company is regarded as solvent if the Company is able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution is made.

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- (c) If, after a distribution is authorised and before it is made, the Directors cease to be satisfied on reasonable grounds that the Company will be solvent immediately after the distribution is made, the Directors shall take all necessary steps to prevent the distribution from being made.
- (d) No higher dividend shall be paid than is recommended by the Directors and the declaration of the Directors as to the amount of the net profits shall be conclusive.
127. Any dividend, interest or other money payable in cash in respect of shares or other securities may be paid by direct transfer by means of the electronic payment systems upon terms and subject to conditions as the Directors may stipulate or by cheque or warrant sent by post to the last known registered address of the holder in the Register of Members or the Record of Depositors or to such person and to such address as the holder may direct in writing. Every such cheque or warrant or remittance via the electronic payment systems shall be made payable to the order of the person to whom it is sent or to such person as the holder may direct, and the payment of any such cheque or warrant or remittance via the electronic payment systems shall operate as a good and full discharge of the Company in respect of the dividend, interest or other money payable in cash in respect of shares or other securities represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented. Payment of dividend.
128. Whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary shares of the Company or allotment of bonus shares may be paid wholly or partly by the distribution of specific assets and in particular of paid up shares or debentures of the Company or of any other company or in any one or more of those ways and the Directors shall, where any difficulty arises in regard to such distribution, settle the same as they think expedient and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed or fraction less than RM1.00 may be disregarded in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors. Payment of dividend in specie or in lieu of cash.
129. The Directors may retain the dividends payable upon shares in respect of which any person is under the provision 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. Dividends due may be retained until registration.
130. The Directors may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company held by him. Deduction of Dividends.
131. The Directors may before recommending any dividend set out of the profits of the Company such sums as they think proper as a reserve fund or reserve funds which shall at the discretion of the Directors be applicable for meeting contingencies, for the gradual liquidation of any debt or liability of the Company, or for repairing or maintaining any works connected with the business of the Company or shall with the sanction of the Company in General Meeting be, as to the whole or in part, applicable for equalising dividends or for distribution by way of bonus among the Power to carry profit to reserve.

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Members of the Company for the time being on such terms and in such manner as the Company in General Meeting shall from time to time determine, and pending such application the Directors may employ the sums from time to time so set apart as aforesaid in the business of the Company or invest the same in such securities (other than the shares of the Company) as they may select. The Directors may also from time to time carry forward such sums as may be deemed expedient in the interest of the Company.

132. The Company shall enter in its register of unclaimed monies any dividend unclaimed or unaccepted for twelve (12) months after any dividend payment date and the Company shall cause a copy of all such entries in the register to be advertised in the Gazette annually during the month of March and all such entries shall include unclaimed dividend held up to the end of February of that year. All unclaimed or unaccepted dividend which shall remain unpaid by the Company within twelve (12) months from the date of such advertisement shall be paid within fourteen (14) days after expiration of such period of twelve (12) months by the Company to the Consolidate Trust Account and upon such payment all liability of the Company with respect to such dividends shall thereupon cease. During the period of twelve (12) months from the date of the aforesaid advertisement, all dividends remaining unclaimed may be invested or otherwise made use of by the Directors for the benefit of the Company.
133. Every dividend warrant may be sent by post to the last registered address of the Member entitled thereto, and the receipt of the person whose name at the date of the declaration of the dividend appears on the register of the members or Record of Depositors as the owner of any share, shall be a good discharge to the Company for all payments made in respect of such share. No unpaid dividend or interest shall bear interest against the Company. Unpaid dividends not to bear interest against the Company.

CAPITALISATION OF PROFITS AND RESERVES

134. The Company may, upon the recommendation of the Directors, by Ordinary Resolution resolve that it is desirable to capitalise the whole or any part of the sum standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of revenue account or otherwise available for distribution amongst the Members, provided that such sum be not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend, and accordingly that the Directors be authorised and directed to appropriate the sum resolved to be capitalised to the Members in the proportion in which such sum would have been divisible amongst them had the same been applied or been applicable in paying dividends, and to apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares or debentures of the Company of a nominal amount equal to such sum, such shares or debentures to be allocated and distributed credited as fully paid up to and amongst such Members in the proportion aforesaid or partly in one way and partly in the other. Power to capitalise profits.
135. Wherever such a resolution as aforesaid is passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares 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 issued of fractional certificates or by payments in cash or shares or debentures becoming distributable in fractions and also to authorise any person to enter on behalf of all the Members entitled thereto Capitalising profits.

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into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be 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.

MINUTES AND BOOKS

136. The Directors shall cause minutes to be made in books to be provided for the purpose:- Minutes.
- (a) of all appointments of officers made by the Directors.
 - (b) of the names of the Directors present at each meeting of Directors and of committee of Directors.
 - (c) of all resolutions and proceedings at all meetings of the Company and of any class of Members of the Company and of the Directors and of the committees of Directors.
137. 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. The Company and the Directors shall duly comply with the provisions of the Act and in particular the provisions in regard to registration of charges created to keeping a register of Directors and Secretaries, a register of members or Record of Depositors, a register of Directors' shares and interest and debenture holdings, a register of Substantial Shareholders and information of information received under Sections 56 and 144 of the Act and in regard to the production and furnishing of copies of such registers and of any register of holders of debenture of the Company. Keeping of registers etc.
138. Any register, index, minutes book, book of account or other book required by this Constitution or the Act to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating its discovery. Forms of register, etc.

AUTHENTICATION OF DOCUMENTS

139. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting this Constitution and any resolution passed by the Company or the Directors and any books, records, documents and financial statements 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 financial statements are kept elsewhere than in the office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. Authentication of documents.
140. A document purporting to be a copy of a resolution of the Director or an extract from the resolution of the Directors or an extract from the Minutes of a meeting of the Directors which is certified as such in accordance with the provisions of this Constitution shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the Conclusive Evidence of Resolutions and Extract of Minutes of

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case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors. Meetings.

ACCOUNTS

141. The Directors shall cause proper accounting and other records to be kept and shall distribute copies of balance-sheets and other documents as required by the Act and shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting and other records of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or paper of the Company except as conferred by statute or authorised by the Directors or by the Company in general meeting. Subject always to the Act the books of account or records of operations shall be kept at the Company's Registered Office or at such other place as the Directors think fit and shall always be open to inspection by the Directors. Keeping and inspection of Books of Account.
142. The Directors shall from time to time in accordance with the Act and the Listing Requirements cause to be prepared and laid before a general meeting of the Company (including every document required by the Act and/or if applicable, the Listing Requirements to be annexed thereto) together with a copy of every report of the Auditors relating thereto and of the Directors' report, either in printed form or in CD-ROM form or in such other form of electronic media (including but not limited to either the manner as set out in Clauses 146, 147 and 148 in this Constitution or such other manner as permitted under the Applicable Laws, as may be amended from time to time), shall not less than twenty-one (21) days before the date of the meeting, be sent to every Member of and every holder of debentures (if any) of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or of this Constitution. This Constitution shall however not oblige the Company to send a copy of these documents to any person whose name or address the Company is not aware of but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Registered Office. In the event that these documents are sent in CD-ROM form or in such other form of electronic media (including but not limited to either the manner as set out in Clauses 146, 147 and 148 in this Constitution or such other manner as permitted under the Applicable Laws as may be amended from time to time), and a Member requires a printed form of such documents, the Company shall send such documents to the Member within four (4) Market Days from the date of receipt of the Member's request. Presentation of accounts at general meetings.
143. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act. Auditors.
144. Subject to the provisions of the Act, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment. Validity of act of auditors despite some formal defects.
145. The Auditor or Auditors shall be entitled to attend any General Meeting and to receive all notice of and other communications relating to any General Meeting which any Member is entitled to receive, and to be heard at any General Meeting Auditor's right to receive

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on any part of the business of the meeting which concerns him as Auditor.

notice of and
speak at
General
Meetings.

NOTICES AND DOCUMENTS OR OTHER INFORMATION

146. (1) Subject to the Act and the Listing Requirements from time to time, any notice, document or other information required to be sent to Members may be given by the Company or the Secretary either:-
- (a) in hard copy, either personally or sent by post to him at his last known address; or
- (b) in electronic form, and sent by such electronic means amongst others which include but not limited to either the following:-
- (i) transmitting to his last known electronic mail address in accordance with the Clauses 146 (4) and 147 in this Constitution; 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 services has been given in accordance with Section 320 of the Act and Listing Requirements; or
- (iii) using any other electronic platform maintained by the Company or third parties or the Exchange that can host the information in a secure manner for access by Members provided that a notification of the publication or availability of the notice or document on the electronic platform via hard copy or electronic mail or short messaging services has been given to them accordingly; or
- (iv) partly in hardcopy and partly in Electronic Form which is deemed effected or valid in accordance with the Clauses 146 (2) to 146 (6) and 147 in this Constitution ; or
- (v) such other manner as permitted under the Applicable Laws as may be amended from time to time .
- (2) Any notice or document or other information required to be sent to Members shall be deemed to have been served by the Company to a Member either:-
- (a) if sent in hard copy by post, on the day after the prepaid letter, envelop or wrapper containing such notice or document is posted. In providing service by the 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; or
- (b) if sent by such electronic means amongst others which include but not limited to either the following:-
- (i) via electronic mail, at the time of transmission to a Member's electronic mail address, provided that the Company has record of
- Service of
Notices
and/or
Documents
or other
information.
- When Notice
and/or
Documents or
other
information
deemed serve.

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the electronic mail being sent and that no written notification of delivery failure is received by the Company; or

- (ii) via publication on the Company's website, on the date the notice or document is first made available on the Company's website provided that the notification on the publication of notice or document on website has been given; or
- (iii) via electronic platform maintained by the Company or third parties or the Exchange, 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; or
- (iv) such other manner as permitted under the Applicable Law as may be amended from time to time.

- (3) A Member's address, electronic mail address and any other contact details provided to Central Depository shall be deemed as the last known address, electronic mail address and contact details respectively for purposes of communication including but not limited to service of notice and /or documents to the Member.
- (4) Where any Member or securities holder requests for a hard copy of the Document, the Company shall forward a hard copy of these Documents to the Member or securities holder as soon as reasonably practicable after the receipt of the request, free of charge.
- (5) Where it relates to Documents required to be completed by Members or securities holders for a rights issue or offer for sale, the Company must send these Documents through electronic mail, in hard copy or in any other manner as the Exchange may prescribe from time to time.

147. Notwithstanding Clause 146 in this Constitution, in respect of notices or documents to be issued by the Company to Members whose last known address as appearing in the Register of Members and the Record of Depositors is outside Malaysia and where such notices or documents are required by the laws of such jurisdictions in which the Members' last known address is situated, to be lodged or registered with any competent governmental or statutory authority of such jurisdictions, all of such Members shall provide an address in Malaysia for service of such notices or documents by the Company. Any such Member who has not supplied an address within Malaysia for service of such notices or documents shall not be entitled to receive any such notices or documents from the Company and service of such notices or documents to Members who have furnished an address in Malaysia shall be deemed good and effectual service of the same on such Members.

Address of Member outside Malaysia.

148. 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 be served upon him at such address any notice or document to which the Member but for his death or bankruptcy would be entitled, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid, any notice or document delivered or sent by post to or left at the registered address of any Member in pursuance of this Constitution shall, notwithstanding that such

Service of notice after death or bankruptcy of a member.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

Member be then dead or bankrupt, and whether or not the Company have notice of his death or bankruptcy, be deemed to have been duly served in respect of any share registered in the name of such Member.

149. (1) Notice of every general meeting shall be given in a manner hereinbefore specified to:
- Persons entitle to receive Notice of General Meetings.
- (i) the directors of the Company;
 - (ii) every Member with a registered address in Malaysia or an address for service of notices in Malaysia;
 - (iii) 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;
 - (iv) the Auditors for the time being of the Company; and
 - (v) every Stock Exchange in which the Company is listed.
- (2) Except as aforesaid no other person shall be entitled to receive notices of general meeting.
- (3) Whenever any notice is required to be given under the provisions of the law of Malaysia or of this Constitution, waiver thereof or the shortening of the period of such notice, may be effectively executed in writing by the person or persons entitled to such notice.
- (4) Every person who, by operation of law, transfer, transmission or other means whatsoever, becomes entitled to any shares, shall be bound by every notice which have been duly served to the person from whom he derives the title of such shares, prior to his name and address being entered in the register of members or the Record of Depositors as the registered holder of such shares.
150. All notices served for and on behalf of the Company or the Board shall only be effectual if it bears the name of a Director or the Secretary or a duly authorised officer of the Company and which are issued by order of the Board pursuant to a resolution duly passed by the Board. Notice bears name of Director or Secretary.
151. Any notice or document required by a court of law or otherwise required or allowed to be given by the Company to the Members or any of them, and not expressly provided for by this Constitution or which cannot for any reason be served in the manner referred to in Clause 146 in this Constitution, shall be sufficiently given if given by advertisement, and any notice or document required to be or which may be given by advertisement, shall be deemed to be duly advertised once advertised in a widely circulated newspaper in Malaysia in the national language and in a widely circulated newspaper in Malaysia in the English language. Notice and/or document given by advertisement.
- WINDING UP**
152. (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 commencement of the winding up on all Distribution of assets.

APPENDIX II – PROPOSED NEW CONSTITUTION OF THE COMPANY – CONT'D

shares held by them respectively. And if 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 Members shall be entitled to receive the surplus proceeds of liquidation of the assets in proportion to the capital paid up, at the commencement of the winding up, or which ought to have been paid up on the shares held by them respectively. But this Constitution is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

- (b) If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the Court) the Liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide among the Members in Specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property to be divided aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The Liquidator may, with the like sanction vest any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator shall think fair, and the Liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares in respect of which there is a liability. Distribution of assets in specie.
- (c) On the voluntary liquidation of the Company, no admission or fee shall be paid to a Liquidator unless it shall have been approved by Members. The amount of such payment shall be notified to all Members at least seven days prior to the meeting at which it is to be considered.
- (d) Where it is proposed that the whole or part of the business or property of the Company is to be transferred or sold to another corporation in a voluntary winding up, with the sanction of a special resolution of the Company conferring either a general authority on the Liquidator or an authority in respect of any particular arrangement, the Liquidator of the Company may:-
- (i) receive in compensation or part compensation for the transfer or sale of the shares, debentures, policies or other like interests in the corporation for distribution among the Members of the Company; or
 - (ii) enter into any other arrangement whereby the Members of the Company may, in lieu of receiving cash, shares, debentures, policies or other like interests or in addition to the arrangement, participate in the profits of or receive any other benefit from the corporation;

and any such transfer, sale or arrangement shall be binding on the Members of the Company.

- (e) If any Member of the Company expresses his dissent on matters referred to in subsection (a) in writing addressed to the Liquidator and delivered to the office of the Liquidator within seven (7) days from the passing of the resolution, the Member may require the Liquidator to either abstain from carrying the resolution into effect or to purchase his interest at a price to be determined by an agreement or by arbitration in the manner set out in Section 457 of the Act.

SECURITY CLAUSE

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

INDEMNITY

154. Subject to the provisions of the Act the Directors, Auditors, Managing Agents, Secretary and other officers for the time being of the Company, any trustee for the time being acting in relation to any of the affairs of the Company and his heirs, executors and administrators respectively shall be indemnified out of the assets of the Company from and against, all actions, proceedings, costs, charges, losses, damages and expenses which he shall or may incur or sustain by reason of any act done or omitted in or about the execution of his duty in his respective office or trusts, except such (if any) as he shall incur or sustain by or through his own wilful neglect or default respectively, and such officer or trustee shall not be answerable for the acts, receipts, neglects or defaults of any other officer or trustee or for joining in any receipt for the sake of conformity, or for the solvency or honesty of any banker or other person with whom any moneys, or effects belonging to the Company may be lodged or deposited for safe custody or for any insufficiency or deficiency of any security upon which any moneys of the Company shall be invested or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his office or trust, unless the same shall happen through the wilful neglect or default of such office or trustee. Indemnity.
155. (1) Notwithstanding anything contained in this Constitution, if the Listing Requirements prohibit an act being done, the act shall not be done. Effect of the Listing Requirements.
- (2) Nothing contained in this Constitution prevents an act being done that the Listing Requirements require to be done.
- (3) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (4) If the Listing Requirements require this Constitution to contain a provision and they do not contain such a provision, this Constitution is deemed to contain that provision.
- (5) If the Listing Requirements require this Constitution not to contain a provision and they contain such a provision this Constitution is deemed not to contain that provision.
- (6) If any provision of this Constitution is or becomes inconsistent with the Listing Requirements, this Constitution is deemed not to contain that provision to the extent of inconsistency.

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- (7) Notwithstanding the above, nothing herein shall prevent the Company from applying to the Exchange for any waiver of any of the Listing Requirements and in the event the compliance or observance of any of the Listing Requirements is waived by the Exchange, the Company shall be exempted from such compliance.

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