

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Third Annual General Meeting of Favelle Favco Berhad will 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, 24 June 2015 at 2.30 p.m. for the following purposes:-

**Agenda****As Ordinary Business**

- To receive the Audited Financial Statements for the financial year ended 31 December 2014 and the Reports of the Directors and Auditors thereon. **Please refer to Note (a) Resolution 1**
- To approve the declaration of a first and final tax exempt dividend of 24% (12 sen) per ordinary share of RM0.50 each in respect of the financial year ended 31 December 2014.
- To re-elect the following Directors who retire pursuant to Article 80 of the Company's Articles of Association:-  
(i) Lee Poh Kwee; and  
(ii) Mac Chung Hui **Resolution 2 Resolution 3**
- To consider and, if thought fit, to re-appoint the following Directors who retire pursuant to Section 129(2) of the Companies Act, 1965 and in accordance with Section 129(6) of the Companies Act, 1965 be re-appointed to hold office until the conclusion of the next Annual General Meeting:-  
(i) Lim Teik Hin; **Resolution 4**  
(ii) Mac Ngan Boon @ Mac Yin Boon; and **Resolution 5**  
(iii) Tan Sri Dato' Seri Ahmad Ramli bin Haji Mohd Nor **Resolution 6**
- To re-appoint Messrs Crowe Horwath as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 7**

**As Special Business**

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

**6. ORDINARY RESOLUTION****Continuation of Terms of Office as Independent Directors**

**"THAT** pursuant to the Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012"), approval be and is hereby given to the following Directors, who have served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company:-

- Tan Sri A. Razak bin Ramli; and
- Tan Sri Dato' Seri Ahmad Ramli bin Haji Mohd Nor

**Resolution 8  
Resolution 9****7. ORDINARY RESOLUTION****Proposed Renewal of Authority for Share Buy-Back**

**"THAT** subject to the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), Companies Act, 1965 ("the Act"), and the Articles of Association of the Company, the Company be and is hereby authorised to purchase such number of ordinary shares of RM0.50 each in the Company through Bursa Securities ("Proposed Share Buy-Back"), as may be determined by the Directors of the Company from time to time upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

- the aggregate number of ordinary shares purchased and/or held by the Company as treasury shares shall not exceed ten per cent (10%) of the issued and paid-up ordinary share capital of the Company at any point in time;
- the funds allocated by the Company for the Proposed Share Buy-Back shall not exceed the aggregate retained profits and share premium accounts of the Company; and
- the authority conferred by this resolution shall continue to be in force until:-
  - the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which this resolution was passed, at which time it shall lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, whether unconditionally or subject to conditions; or
  - the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
  - revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting, whichever occurs first.

**Resolution 10**

**THAT** the Directors of the Company be and are hereby authorised to deal with the shares purchased in the following manner:-

- cancel all the shares so purchased; and/or
- retain the shares so purchased as treasury shares, for distribution as share dividends to the shareholders and/or resell on the market of Bursa Securities; and/or
- retain part thereof as treasury shares and cancel the remainder.

**AND THAT** the Directors of the Company be and are hereby authorised to give effect to the Proposed Share Buy-Back with full power to assent to any modifications and/or amendments as may be required by the relevant authorities."

**8. ORDINARY RESOLUTION****Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature****Resolution 11**

**"THAT** subject to the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.1.2 of the Circular to Shareholders ("Circular") dated 29 May 2015 ("Proposed Shareholders' Mandate") provided that such transactions are undertaken in the ordinary course of business, at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the interests of the minority shareholders of the Company.

**THAT** the Proposed Shareholders' Mandate conferred by this resolution shall continue to be in force until:-

- the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the next AGM, the Proposed Shareholders' Mandate is renewed; or
- the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- revoked or varied by a resolution passed by the Company's shareholders in a general meeting, whichever is the earliest.

**AND THAT** the Directors of the Company be and are hereby authorised to take all steps and to do all such acts and deeds as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate."

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

**FURTHER NOTICE IS HEREBY GIVEN THAT** for the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 60(d) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Securities, a Record of Depositors as at 16 June 2015 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxies to attend and/or vote on his/her behalf.

**Notes:**

- The Audited Financial Statements in Agenda 1 is intended for discussion only as the provision of the Section 169(1) of the Act does not require a formal approval of the members and hence is not put for voting.
- A member entitled to attend and vote at this meeting is entitled to appoint a proxy/proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.
- A member shall not be entitled to appoint more than two (2) proxies to attend, speak and vote at the same meeting and where a member appoints two (2) proxies, such appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy. Each proxy appointed, shall represent a minimum of one hundred (100) shares.
- 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 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 ordinary shares of the Company standing to the credit of the said securities account.
- Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The duly completed Form of Proxy must be deposited at the office of the Share Registrar or such other place in Malaysia as is specified for that purpose in the notice convening the meeting, at least forty-eight (48) hours before the time set for holding the meeting or adjourned meeting.

**Explanatory notes on Special Business****1. Resolution pertaining to the Continuation of Terms of Office as Independent Director**

For Resolution 8 and 9 in line with the Recommendation 3.1 of the MCCG 2012, the Board had conducted an assessment of independence of the following Directors, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years, and recommended them to continue to act as Independent Non-Executive Director of the Company based on the following justifications:-

Tan Sri A. Razak bin Ramli ("Tan Sri A. Razak")

Tan Sri A. Razak fulfilled the independence guidelines as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and therefore he is able to exercise his independent judgment and ability to act in the best interest of the Company. His vast experience in government service sectors enables him to provide constructive thought in the Board deliberations and decision making judgement.

Tan Sri Dato' Seri Ahmad Ramli bin Haji Mohd Nor ("Tan Sri Dato' Seri Ahmad Ramli")

Tan Sri Dato' Seri Ahmad Ramli fulfilled the independence guidelines as stated in the Main Market Listing Requirements Bursa Malaysia Securities Berhad and therefore he is able to exercise his independent judgment and ability to act in the best interest of the Company. He acts as a check and balance and brings an element of objectivity to the Board of Directors. He has the calibre, qualifications, experiences and personal qualities to challenge the Management in an effective and constructive manner.

In addition, being directors for more than nine (9) years have enabled them to contribute positively during discussion at the Meetings as they possess knowledge and are familiar with the Company's operations. Both of them have never compromised on their independent judgement.

**2. Resolution 10 on Proposed Renewal of Authority for Share Buy-Back**

For the detailed information on the Proposed Renewal of Authority for Share Buy-Back, shareholders are advised to refer to the Statement/Circular to Shareholders dated 29 May 2015 which is circulated together with the Company's Annual Report 2014.

**3. Resolution 11 on Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

For further information on the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature, shareholders are advised to refer to the Circular to Shareholders dated 29 May 2015 which is circulated together with the Company's Annual Report 2014.

**NOTICE IS HEREBY GIVEN THAT** a first and final tax exempt dividend of 24% (12 sen) per ordinary share of RM0.50 each in respect of the financial year ended 31 December 2014, if approved by the shareholders at the forthcoming Twenty-Third Annual General Meeting, will be paid on 11 September 2015 to Depositors whose names appear in the Record of Depositors at the close of business on 3 September 2015.

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

- Shares transferred into the Depositor's securities account before 4.00 p.m. on 3 September 2015 in respect of ordinary transfers; and
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

**BY ORDER OF THE BOARD****TEW SIEW CHONG (MIA 20729)****LIM SUAK GUAK (MIA 19689)****TIA HWEI PING (MAICSA 7057636)**

Company Secretaries

Selangor Darul Ehsan

29 May 2015