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**VSTECS BERHAD**  
**(Formerly known as ECS ICT Berhad)**  
(Company No. 351038-H)  
(Incorporated in Malaysia)

**CIRCULAR / STATEMENT TO SHAREHOLDERS**

in relation to the

**PART A**

**PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

**PART B**

**APPENDIX II**

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

The resolutions in respect of the above Proposals will be tabled as Special Business at the Twenty-Third Annual General Meeting ("**23<sup>rd</sup> AGM**") of the Company. The Notice and Form of Proxy are set out in the Company's Annual Report 2018, which is despatched together with this Circular/Statement.

The Form of Proxy must be completed and deposited at the office of the Company's Registered Office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not later than forty-eight (48) hours before the time appointed for the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 23<sup>rd</sup> AGM should you subsequently wish to do so.

**Date and time of the AGM** : Wednesday, 15 May 2019 at 10:30 a.m.

**Venue of the AGM** : Greens III (Sports Wing), Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan

**Last date and time for lodging the Form of Proxy** : Monday, 13 May 2019 at 10:30 a.m.

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## DEFINITIONS

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

|                        |   |   |
|------------------------|---|---|
| “Act”                  | : | Companies Act 2016, as amended from time to time and any re-enactment thereof   |
| “AGM”                  | : | Annual General Meeting  |
| “Annual Report 2018”   | : | Annual Report of VSTECS issued for the financial year ended 31 December 2018  |
| “Board”                | : | Board of Directors of VSTECS  |
| “Bursa Securities”     | : | Bursa Malaysia Securities Berhad (Company No. 635998-W)   |
| “Circular”             | : | Circular to Shareholders dated 16 April 2019  |
| Constitution           | : | Constitution of VSTECS  |
| “Director(s)”          | : | Director(s) of VSTECS   |
| “EGM”                  | : | Extraordinary General Meeting   |
| “EPS”                  | : | Earnings per share  |
| “Listing Requirements” | : | Main Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time.   |
| “LPD”                  | : | 20 March 2019, being the latest practicable date prior to the printing of this Circular/Statement   |
| “Major Shareholder(s)” | : | A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:-<br><br>a) 10% or more of the total number of voting shares in the Company;<br>or<br>b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. |

For the purposes of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act. For the purpose of the Proposed Shareholder Mandate, it includes any person who is or was within the preceding 6 months of the date on which the terms of the transactions were agreed upon, a Major Shareholder of the Company or any other corporation which is its subsidiary and holding company.

|   |   |  |
|---|---|--|
| “M&A”                                   | : | The Memorandum and Articles of Association of VSTECS   |
| “NA”                                    | : | Net assets attributable to ordinary equity holders of VSTECS   |
| “Proposed Adoption of New Constitution” | : | Proposed revocation of the existing M&A in its entirety and in place thereof, the adoption of the new Constitution |

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**DEFINITIONS (Cont'd)**

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|                                      |   |  |
|--------------------------------------|---|--|
| “Proposed Renewal of Share Buy-Back” | : | Proposed renewal of authority for the Company to purchase its own shares up to ten percent (10%) of its total number of issued shares  |
| “Purchased Shares”                   | : | VSTECS Shares to be purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back  |
| “RM” and “sen”                       | : | Ringgit Malaysia and sen, respectively, the lawful currency of Malaysia  |
| “Rules”                              | : | Rules on Take-Overs, Mergers and Compulsory Acquisitions   |
| “Statement”                          | : | Share Buy-Back Statement dated 16 April 2019   |
| “Substantial Shareholder”            | : | Shall have the meaning given in Section 136 of the Act   |
| VSTECS or Company                    | : | VSTECS Berhad ( <i>formerly known as ECS ICT Berhad</i> ) (Company No. 351038-H), a company incorporated in Malaysia, an associate company of VSTECS Holdings (Singapore) and VSTECS Holdings  |
| VSTECS Group or Group                | : | VSTECS and its subsidiary companies as defined in Section 4 of the Act   |
| “VSTECS Holdings (Singapore)”        | : | VSTECS Holdings (Singapore) Limited (Company No. 199804760R) ( <i>formerly known as ECS Holdings Limited</i> ), a company incorporated in Singapore with limited liability, a major shareholder of VSTECS, a wholly-owned subsidiary of VSTECS Holdings                            |
| “VSTECS Holdings (Singapore) Group”  | : | VSTECS Holdings (Singapore) and its subsidiaries and associated companies  |
| “VSTECS Holdings”                    | : | VSTECS Holdings Limited (Company No. 116157), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 856), a holding company of VSTECS Holdings (Singapore) |
| “VSTECS Holdings Group”              | : | VSTECS Holdings and its subsidiaries and associated companies  |
| VSTECS Share(s) or Share(s)          | : | Ordinary Share(s) in VSTECS  |

All references to “**you**” in this Statement are to the shareholders of the Company.

Unless otherwise stated, the information set out above in relation to the Major Shareholder(s), Director(s) and Person(s) Connected is as at the LPD.

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

Any reference to any enactment in this Circular/ Statement is a reference to that enactment as for the time being amended or re-enacted.

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

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**PART A**

**PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO  
PURCHASE ITS OWN SHARES**



**VST ECS BERHAD**  
**(Formerly known as ECS ICT Berhad)**  
(Company No. 351038-H)  
(Incorporated in Malaysia)

**Registered Office:**

Level 7, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur,  
Wilayah Persekutuan

16 April 2019

**Board of Directors:**

Foo Sen Chin (*Non-Independent Non-Executive Chairman*)  
Soong Jan Hsung (*Executive Director/ Chief Executive Officer*)  
Tay Eng Hoe (*Independent Non-Executive Director*)  
Wong Heng Chong (*Independent Non-Executive Director*)  
Ahmad Subri Bin Abdullah (*Independent Non-Executive Director*)  
Ho Chee Kit (*Senior Independent Non-Executive Director*)  
Ong Wei Hiam (*Non-Independent Non-Executive Director*)  
Chow Ying Chi (*Non-Independent Non-Executive Director*)

**TO: SHAREHOLDERS OF VST ECS**

Dear Sir/Madam,

**PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

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**1.0 INTRODUCTION**

At the EGM of the Company held on 8 November 2018, the Company obtained the shareholders' approval on the resolution pertaining to the authority from its shareholders to undertake the proposed authority for the Company to purchase its own shares. The said authority shall, in accordance with the Listing Requirements, will expire at the conclusion of the forthcoming Twenty-Third AGM of the Company.

On 21 February 2019, the Board announced its intention to seek the authority from its shareholders to undertake the Proposed Renewal of Share Buy-Back to purchase its own shares up to ten per cent (10%) of the total number of issued shares of the Company.

The purpose of this Statement is to provide you with relevant details and information of the Proposed Renewal of Share Buy-Back, together with the Board's recommendation and to seek your approval for the Ordinary Resolution in connection to the Proposed Renewal of Share Buy-Back to be tabled at the forthcoming AGM of the Company. The Notice of the Twenty-Third AGM together with the Form of Proxy is set out in the Annual Report 2018.

## 2.0 DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

The Company proposes to seek renewal of the authority from the shareholders of the Company to purchase from time to time up to ten per-centum (10%) of the total number of issued shares of the Company for the time being quoted on the Main Market of Bursa Securities.

The authority from shareholders, if renewed, shall be effective upon passing of the ordinary resolution for the Proposed Renewal of Share Buy-Back at the AGM of the Company to be convened and will continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (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 of the Company in general meeting,

whichever occurs first.

## 2.1 Status and Treatment of Shares Purchased

Pursuant to Section 127 of the Act, the Board may deal with the Purchased Shares in either of the following manner:-

- (a) cancel all or part of the Purchased Shares; and/or
- (b) retain all or part of the Purchased Shares as treasury shares for either of the following:-
  - (i) distribute the shares as dividends to shareholders, such dividends to be known as "share dividend";
  - (ii) resell the shares or any of the shares in accordance with the relevant rules of the stock exchange;
  - (iii) transfer the shares, or any of the shares for the purposes of or under an employees' share scheme; and
  - (iv) transfer the shares, or any of the shares as purchase consideration
- (c) such other manner as allowed by the Act and Bursa Securities from time to time.

The Board may decide to cancel the Purchased Shares if it is of the opinion that, in the foreseeable future, there are no investment opportunities that would result in gains adding value to VSTECS and hence, the value of the VSTECS Shares. If the Purchased Shares are cancelled, the Company's total issued share capital shall be diminished by the shares so cancelled pursuant to Section 127(14) of the Act.

The treatment of the Purchased Shares to be held as treasury shares, either distributed as share dividends or resold on Bursa Securities by the Company, or both, or transfer all/any of the treasury shares for the purposes of or under an employees' share scheme (i.e. SIS) or transfer all/any of the treasury shares as purchase consideration or subsequently be cancelled.

In the event the Company decides to purchase its own Shares, the Company will announce on the day the purchase is made providing details of the description of the shares purchased, the number of the shares purchased, the price of each share or, where relevant, the highest and lowest price paid, the total consideration paid and the shares purchased either held as treasury shares or proposed to be cancelled.

In the event the Company decides to resell the Company's treasury shares, the Company will announce on the day the resale is made providing details of the description of the shares resold, the number of the shares resold, the resale price of each share resold or, where relevant, the highest and lowest resale price paid and the total consideration received.

In the event the Company decides to transfer all or any of the treasury shares as purchase consideration in relation to any corporate transaction(s), the Company shall make the appropriate announcement(s) under Chapter 10 of the Listing Requirements.



In the event the Company decides to cancel the Company's treasury shares, the Company will announce on the day the cancellation is made providing details of the number of treasury shares, the date of cancellation and the outstanding and total issued share capital and total number of issued shares of the Company after the cancellation.

While the Purchased Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in rights, allotments and/or other distributions are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including determination of substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on a resolution at meetings of shareholders.

## **2.2 Purchase Price**

Pursuant to the provisions of Paragraph 12.17 of the Listing Requirements, the Company may only purchase its own Shares on Bursa Securities at a price which is not more than fifteen per centum (15%) above the weighted average market price of VSTECS Shares for the five (5) Market Days immediately before the date of the purchase(s).

Pursuant to the provisions of Paragraph 12.18 of the Listing Requirements, the Company may only resell the Purchased Shares held as treasury shares on Bursa Securities or transfer the Purchased Shares held as treasury shares pursuant to Section 127(7) of the Act, at:-

- (a) a price which is not less than the weighted average market price of VSTECS Shares for the five (5) Market Days immediately before the date of resale(s) or transfer(s); or
- (b) a discounted price of not more than five per centum (5%) to the weighted average market price of VSTECS Shares for the five (5) Market Days immediately before the resale or transfer provided that:-
  - (i) the resale or transfer takes place not earlier than thirty (30) days from the date of purchase; and
  - (ii) the resale or transfer price is not less than the cost of purchase of VSTECS Shares being resold.

## **2.3 Quantum**

The maximum aggregate number of Shares which may be purchased by the Company shall not exceed ten per-centum (10%) of the total number of issued shares of the Company at any point in time.

As at LPD, the total number of issued shares of the Company is comprising 180,000,000 ordinary shares, the number of VSTECS Shares which may be purchased by the VSTECS is up to 18,000,000 VSTECS Shares representing 10% of the total number of issued shares of VSTECS pursuant to the Proposed Renewal of Share Buy-Back Authority.

Nevertheless, the actual number of Shares to be purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back Authority, the total amount of funds involved for each purchase and the timing of the purchase(s) will depend on inter-alia, the market conditions and sentiments of the stock market as well as the availability of financial resources of the Company and the availability of the retained profits of the Company.

## **2.4 Funding**

The Proposed Renewal Share Buy-Back Authority may be funded through internally-generated funds and/or bank borrowings as long as the purchase is backed by an equivalent amount of retained profits of the Company, subject to compliance with the Prevailing Laws.

The Proposed Renewal Share Buy-Back Authority, if funded through internally-generated funds, is not expected to have a material impact on the cash flow position of the Company. In the event the Proposed Renewal Share Buy-Back Authority is to be financed by bank borrowings, the Board will ensure that the Company has the capability to repay such borrowings and that such repayment will not have a material effect on the cash flow of the Company.

The maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back shall not exceed the aggregate of retained profits of the Company based on the latest audited financial statement and/or the latest management accounts of the Company (where applicable) available. As at 31 December 2018 and the latest management account of the Group up to 28 February 2019, being the latest available audited financial statements, the audited retained profits of the Company are as follows:-

|                             | <b>Audited</b>                           | <b>Unaudited</b>                         |
|-----------------------------|--|--|
|                             | <b>As at 31 December 2018<br/>RM'000</b> | <b>As at 28 February 2019<br/>RM'000</b> |
| <b><u>Company Level</u></b> |  |  |
| Retained Profits            | 4,789                                    | 4,847                                    |
| <b><u>Group Level</u></b>   |  |  |
| Retained Profits            | 198,096                                  | 199,746                                  |

Notwithstanding the above, the Company will ensure that there are sufficient retained profits at Company level prior to the share buy-back. In addition, the Company will ensure that the maximum amount of funds to be utilised for the Proposed Renewal of Share Buy-Back Authority shall not exceed the aggregate of the retained profits of the Company at the time of purchase.

As required under Section 112(2) of the Act, the Company will have to perform a solvency test to satisfy the following conditions:-

- (a) the share buy-back would not result in the Company being insolvent and its capital being impaired at the date of the solvency statement; and
- (b) the Company will remain solvent after each buy-back during the period of six (6) months after the date of the declaration made by a majority of the Directors.

## **2.5 Public Shareholding Spread**

As at LPD, the public shareholding spread of the Company was 35.95%. The Company will not undertake any share buy-back if that will result in breach of Paragraph 8.02(1) of the Listing Requirements which requires the Company to maintain a shareholding spread of at least 25% of its total listed shares. The Board is mindful of the shareholding spread requirement and will continue to be mindful of the requirement when making any purchase of VSTECS Shares by the Company.

## **3.0 RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK**

The Proposed Renewal of Share Buy-Back, if implemented, is expected to have the following potential benefits to the Company and its shareholders:-

- (a) the Company is able to utilise its surplus financial resources which are not immediately required for other uses to purchase its own shares from the open market;
- (b) where the Purchased Shares are retained as treasury shares, the Board would have an option to distribute the Purchased Shares as shares dividends to reward shareholders of the Company;
- (c) the Purchased Shares may be held as treasury shares and resold in the open market to reap potential capital appreciation of the Shares without affecting the total number of issued shares of the Company;
- (d) the Company may be able to reduce any unwarranted volatility of its Shares and assist to stabilise the supply, demand and price of its Shares in the open market, thereby supporting the fundamental value of its Shares; and

- (e) Where the Directors resolve to cancel the VSTECS Shares so purchased, the Company expects to enhance the EPS of the Group as a result of a lower number of VSTECS Shares being taken into account for the purpose of computing the EPS, thereby enabling long term and genuine investors to enjoy any potential corresponding increase in the value of their investments in the Company.

#### **4.0 POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK**

The potential advantages of the Proposed Renewal of Share Buy-Back to the Company and its shareholders are as follows:-

- a) The proposed purchase will also result in reduction of the share capital base which may enhance the possibility of obtaining a higher rate of dividend in the future.
- b) If the Purchased Shares are retained as treasury shares, it will provide the Board with opportunities to increase and improve its financial resources if the Purchased Shares are resold at a price higher than the purchase price.
- c) The Purchased Shares if distributed to shareholders as share dividends shall serve as a reward to shareholders.
- d) The proposed purchase will allow the Company to take preventive measures against speculation particularly when the VSTECS Shares are undervalued and this would, in turn, be expected to stabilise the market price of the VSTECS Shares and hence, enhance investors' confidence.
- e) It gives the Company flexibility in attaining its desired capital structure.
- f) To align with the Group capital management strategy of its ultimate major shareholder, i.e. the Hong Kong Stock Exchange listed, VSTECS Holdings Limited.

The potential disadvantages of the Proposed Renewal of Share Buy-Back to the Company and its shareholders are as follows:-

- a) It will reduce the financial resources of the Group and may result in the Group foregoing better investment opportunities in future or, at least deprive VSTECS Group of interest income that can be derived from the funds utilised for the Proposed Share Buy-Back Authority.
- b) As the Proposed Renewal Share Buy-Back Authority can only be made out of retained profits of the Company, it may result in the reduction of financial resources available for cash distribution to shareholders in the immediate future.

Nevertheless, the Proposed Renewal of Share Buy-Back is not expected to have any potential material disadvantages to the Company and its shareholders, as any share buy-back will be undertaken only after in-depth consideration of the financial resources of VSTECS and the resultant impact on its shareholders. The Board, in exercising any decision in implementing the Proposed Renewal of Share Buy-Back will be mindful of the interests of the Company and its shareholders.

#### **5.0 FINANCIAL EFFECTS TO THE PROPOSED RENEWAL OF SHARE BUY-BACK**

##### **5.1 Share Capital**

The effect of the Proposed Renewal of Share Buy-Back Authority on the total number of issued Shares of the Company will depend on whether the VSTECS Shares purchased are cancelled or retained as treasury shares.

The pro-forma effects of the Proposed Renewal Share Buy-Back Authority on the total number of issued Shares of the Company as at the LPD are as follows:-

|   | <b>No. of VSTECS Shares</b> |
|---|-----------------------------|
| Total number of issued shares as at the LPD   | 180,000,000                 |
| Assuming the Proposed Renewal Share Buy-Back Authority is implemented in full (i.e., up to 10%)   | (18,000,000)                |
| <b>Total number of issued shares after the Proposed Renewal Share Buy-Back Authority (assuming the Purchased Shares are subsequently cancelled in full)</b> | <b>162,000,000</b>          |

However, the Proposed Renewal Share Buy-Back Authority will have no effect on the total number of issued Shares of the Company if all the VSTECS Shares are retained as treasury shares, resold or distributed to the shareholders of the Company.

## **5.2 NA**

The effects of the Proposed Renewal Share Buy-Back Authority on the NA per share of the VSTECS Group are dependent on the number of VSTECS Shares which the Company will buy back, purchase price of the VSTECS Shares at the time of buy back, the treatment of the shares so purchased and the funding cost, if any. If all VSTECS Shares so purchased are cancelled, the consolidate NA per share of the Group is likely to be reduced if the purchase price exceeds the NA per share, whereas the NA per share of the Group will increase if the purchase price is less than the NA per share of the Group at the time of purchase.

For Purchased Shares which are kept as treasury shares, upon resale, the NA per share of the Group would increase assuming that a gain has been realised or decrease if a loss is realised. If treasury shares are distributed as share dividends, the NA of the Group would decrease by cost of the treasury shares.

## **5.3 Working capital**

The Proposed Renewal Share Buy-Back Authority, as and when implemented, will reduce the working capital and cash flow of VSTECS Group, the quantum of which depends on, amongst others, the purchase price of the VSTECS Shares and the number of VSTECS Shares that would be purchased.

For Purchased Shares which are kept as treasury shares, upon resale, the working capital and the cash flow of the Group will increase upon the receipt of the proceeds of the resale. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the treasury shares and the number of treasury shares resold.

## **5.4 Earnings**

Assuming that the Purchased Shares under the Proposed Renewal Share Buy-Back Authority are cancelled, the Proposed Renewal Share Buy-Back Authority may increase the EPS of VSTECS Group. Similarly, on the assumption that the Purchased Shares are treated as treasury shares and subsequently resold, the extent of the effect on earnings of VSTECS Group will depend on the actual selling price and number of treasury shares resold and the effective gain arising. In the event the Purchased Shares are held as treasury shares, the effective reduction in the total number of issued Shares of VSTECS pursuant to the Proposed Share Buy-Back would generally, all else being equal, increase the consolidated EPS of the Company.

## **5.5 Dividends**

The Proposed Share Buy-Back Authority is not expected to have any impact on the policy of the Board in recommending dividends to the shareholders of VSTECS. As stated in Sections 3 and 4 of this Statement, the Board may have the option to distribute future dividends in the form of the treasury shares purchased pursuant to the Proposed Renewal Share Buy-Back Authority.

## **5.6 Gearing**

The effect of the Proposed Renewal Share Buy-Back Authority on the gearing of the Group will depend on the proportion of borrowings utilised to fund any purchase of VSTECS Shares. At this juncture, the Company has not determined whether to use any form of borrowings for purposes of the Proposed Renewal Share Buy-Back Authority.

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## 6.0 SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the Company's Register of Directors' shareholdings and Register of substantial shareholders' shareholdings as at the LPD and assuming that the Proposed Renewal Share Buy-Back Authority is implemented in full (up to 10% of the total number of issued Shares) and that the Purchased Shares are from shareholders other than the existing Directors and substantial shareholders of VSTECS, the effect of the Proposed Share Buy-Back Authority on the shareholdings of the existing Directors and substantial shareholders of VSTECS by virtue of Section 127(9) of the Act are as follows :-

|   | Shareholdings as at the LPD |        |                           |          |               |        | After the Proposed Share Buy-Back |        |               |          |               |   |
|---|-----------------------------|--------|---------------------------|----------|---------------|--------|-----------------------------------|--------|---------------|----------|---------------|---|
|   | Direct                      |        |                           | Indirect |               |        | Direct                            |        |               | Indirect |               |   |
|   | No. of Shares               | %      | No. of Shares             | %        | No. of Shares | %      | No. of Shares                     | %      | No. of Shares | %        | No. of Shares | % |
| <b>Directors</b>                        |                             |        |                           |          |               |        |                                   |        |               |          |               |   |
| Foo Sen Chin                            | 99,000                      | 0.055  | 21,997,200 <sup>(1)</sup> | 12.221   | 99,000        | 0.061  | 21,997,200                        | 13.579 |               |          |               |   |
| Soong Jan Hsung                         | 225,000                     | 0.125  | -                         | -        | 225,000       | 0.139  | -                                 | -      |               |          |               |   |
| Tay Eng Hoe                             | 375,000                     | 0.208  | -                         | -        | 375,000       | 0.231  | -                                 | -      |               |          |               |   |
| Wong Heng Chong                         | 225,000                     | 0.125  | -                         | -        | 225,000       | 0.139  | -                                 | -      |               |          |               |   |
| Ahmad Subri Bin Abdullah                | -                           | -      | -                         | -        | -             | -      | -                                 | -      |               |          |               |   |
| Ho Chee Kit                             | -                           | -      | -                         | -        | -             | -      | -                                 | -      |               |          |               |   |
| Ong Wei Hiam                            | -                           | -      | -                         | -        | -             | -      | -                                 | -      |               |          |               |   |
| Chow Ying Chi                           | -                           | -      | -                         | -        | -             | -      | -                                 | -      |               |          |               |   |
| <b>Substantial / Major shareholders</b> |                             |        |                           |          |               |        |                                   |        |               |          |               |   |
| VSTECS Holdings (Singapore) Limited     | 76,971,450                  | 42.762 | -                         | -        | 76,971,450    | 47.513 | -                                 | -      |               |          |               |   |
| VSTECS Holdings Limited                 | -                           | -      | 76,971,450 <sup>(3)</sup> | 42.762   | -             | -      | 76,971,450                        | 47.513 |               |          |               |   |
| Sengin Sdn. Bhd.                        | 21,690,000                  | 12.050 | -                         | -        | 21,690,000    | 13.389 | -                                 | -      |               |          |               |   |
| Foo Sen Chin                            | 99,000                      | 0.055  | 21,997,200 <sup>(1)</sup> | 12.221   | 99,000        | 0.061  | 21,997,200                        | 13.579 |               |          |               |   |
| Lee Marn Fong                           | -                           | -      | 22,096,200 <sup>(2)</sup> | 12.276   | -             | -      | 22,096,200                        | 13.640 |               |          |               |   |
| Dasar Technologies Sdn. Bhd.            | 15,400,000                  | 8.556  | -                         | -        | 15,400,000    | 9.506  | -                                 | -      |               |          |               |   |

Note:

- (1) By virtue of his substantial shareholdings in Sengin Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and the shareholdings of his child.
- (2) By virtue of her substantial shareholdings in Sengin Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and the shareholdings of her spouse and child.
- (3) VSTECS Holdings (Singapore) Limited is a wholly-owned subsidiary of VSTECS Holdings Limited.

## 7.0 IMPLICATIONS IN RELATION TO THE CODE AND RULES

If as a result of the Proposed Renewal Share Buy-Back Authority, (i) a shareholder who holds less than 33% of the voting shares of VSTECS has inadvertently increased his shareholding to more than 33%; or (ii) a shareholder who holds more than 33% but less than 50% of the voting shares of VSTECS has inadvertently increased his shareholding by 2% within a six-months period, the said shareholder will be obliged under Rule 4.01 of the Rules pursuant to the Code to make a Mandatory Offer (“MO”) for the remaining VSTECS Shares not held by him. Notwithstanding the above, the said shareholder is allowed to make an application to the Securities Commission Malaysia for a waiver from implementing an MO under Rule 4.15 of the Rules pursuant to the Code.

It is not the intention of the Company to cause any shareholder to trigger an obligation to undertake an MO under the Code and the Rules and the Company will be mindful of the above implications of the Code and the Rules in making any purchase of its own shares under the Proposed Share Buy-Back Authority.

## 8.0 PURCHASE OF SHARES, RESALE, CANCELLATION AND/OR TRANSFER OF TREASURY SHARES MADE IN THE PREVIOUS 12 MONTHS

The Company had not purchased, cancelled and/or resold any VSTECS Shares or treasury shares in the previous twelve (12) months preceding the date of this Statement and the Company currently does not hold any treasury shares.

## 9.0 HISTORICAL SHARE PRICES

The monthly highest and lowest closing prices of VSTECS Shares as traded on Bursa Securities for the past twelve (12) months are as follows:-

|             | HIGHEST (RM) | LOWEST (RM) |
|-------------|--------------|-------------|
| <b>2018</b> |              |             |
| April       | 1.13         | 1.10        |
| May         | 1.20         | 1.01        |
| June        | 1.06         | 1.03        |
| July        | 1.08         | 1.00        |
| August      | 1.03         | 0.995       |
| September   | 1.03         | 0.96        |
| October     | 1.03         | 0.94        |
| November    | 1.04         | 0.95        |
| December    | 0.975        | 0.91        |
| <b>2019</b> |              |             |
| January     | 0.98         | 0.945       |
| February    | 1.00         | 0.96        |
| March       | 1.02         | 0.97        |

The last transacted market price of VSTECS Shares on the LPD was RM0.995 per Share, prior to the printing of this Statement.

(Source: <https://quotes.wsj.com>)

## **10.0 DIRECTORS' AND/OR MAJOR SHAREHOLDERS INTERESTS**

Save for the proportionate increase in percentage of shareholdings and/or voting rights of shareholders of the Company as a result of the Proposed Share Buy-Back Authority as set out in **Section 6.0** of this Statement, none of the Directors and/or major shareholders of the Company and/or persons connected with them have any interests, direct or indirect, in the proposed purchase of Shares or resale of treasury shares, if any, in the future.

## **11.0 APPROVAL REQUIRED**

The Proposed Renewal of Share Buy-Back is subject to the approval of the shareholders of VSTECS at the forthcoming AGM of the Company to be convened or at any adjournment thereof. Save for the approval of the shareholders of VSTECS, there are no other approvals required for the Proposed Renewal of Share Buy-Back.

## **12.0 DIRECTORS' RECOMMENDATION**

The Board after having considered all aspects of the Proposed Renewal Share Buy-Back Authority is of the opinion that the Proposed Renewal Share Buy-Back Authority is fair, reasonable and in the best interests of the Company and accordingly recommend that you vote in favour of the ordinary resolution for the Proposed Renewal Share Buy-Back Authority to be tabled at the AGM.

## **13.0 FURTHER INFORMATION**

Shareholders are advised to refer to the attached Appendix I for further information.

Yours faithfully,

For and on behalf of the Board of Directors of  
**VSTECS BERHAD**  
(Formerly known as ECS ICT Berhad)

**SOONG JAN HSUNG**  
Executive Director/ Chief Executive Officer



**FURTHER INFORMATION****1. DIRECTORS' RESPONSIBILITY STATEMENT**

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

**2. MATERIAL LITIGATIONS**

As at 20 March 2019, being the latest practicable date of this Circular/Statement, neither the Company nor its subsidiary companies is engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiaries and the Board is not aware of any proceeding pending or threatened or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position or business of the Company and/or its subsidiaries.

**3. MATERIAL CONTRACTS**

Save as disclosed below, there are no material contracts (including contracts not in writing), not being contracts in the ordinary course of business which have been entered into by the Company or its subsidiaries within two (2) years immediately preceding on the date of this Circular/Statement:-

- a) The Company had on 26 July 2017, entered into a Share Sale Agreement dated 26 July 2017 with Dato' Teo Chiang Quan, to acquire 1,000,000 ordinary shares in Enrich Platinum Sdn. Bhd. ("**EPSB**"), representing 50% of the total issued share capital of EPSB, for a total purchase consideration of RM12,170,000/- only ("**Acquisition**"). The Acquisition was completed on 12 September 2017. Therefore, VSTECS becomes a 50% joint venture of the Company. The remaining 50% equity interest in EPSB is held by Mr. Foo Sen Chin.

**4. DOCUMENTS FOR INSPECTION**

The following documents are available for inspection at the Company's Registered Office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights 50490 Kuala Lumpur, Wilayah Persekutuan during normal business hours (except public holidays) from the date of this Circular/Statement up to and including the date of the AGM:-

- (a) Memorandum and Articles of Association of VSTECS;
- (b) The audited consolidated financial statements of VSTECS for the past two (2) financial years ended 31 December 2017 and 31 December 2018;
- (c) The latest unaudited consolidated financial results of VSTECS for the period ended 28 February 2019; and
- (d) Share Sale Agreement dated 26 July 2017 referred to Section 3 of this Appendix I.

**PART B**

**PROPOSED ADOPTION OF A NEW CONSTITUTION**



**VSTECS BERHAD**  
**(Formerly known as ECS ICT Berhad)**  
(Company No. 351038-H)  
(Incorporated in Malaysia)

**Registered Office:**

Level 7, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur,  
Wilayah Persekutuan

16 April 2019

**Board of Directors:**

Foo Sen Chin (*Non-Independent Non-Executive Chairman*)  
Soong Jan Hsung (*Executive Director/ Chief Executive Officer*)  
Tay Eng Hoe (*Independent Non-Executive Director*)  
Wong Heng Chong (*Independent Non-Executive Director*)  
Ahmad Subri Bin Abdullah (*Independent Non-Executive Director*)  
Ho Chee Kit (*Senior Independent Non-Executive Director*)  
Ong Wei Hiam (*Non-Independent Non-Executive Director*)  
Chow Ying Chi (*Non-Independent Non-Executive Director*)

**TO: SHAREHOLDERS OF VSTECS**

Dear Sir / Madam,

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

---

**1.0 INTRODUCTION**

On 15 April 2019, the Board announced that the Company intends to seek shareholders' approval for the Proposed Adoption of New Constitution of the Company.

The purpose of this Circular/Statement is to provide you with relevant information of the Proposed Adoption and to seek your approval for the special resolution pertaining to the Proposed Adoption, to be tabled at the forthcoming Twenty-Third AGM of the Company.

**2.0 DETAILS OF THE PROPOSED ADOPTION OF NEW CONSTITUTION**

The Board proposed that the Company revokes its existing Constitution in its entirety with immediate effect and in place thereof, adopt a new Constitution, taking into account the Act, the Listing Requirements and the MCGG.

A copy of the new Constitution proposed to be adopted is set forth in Appendix II of this Circular/Statement.

### **3.0 RATIONALE FOR THE PROPOSED ADOPTION OF NEW CONSTITUTION**

The Proposed Adoption of New Constitution is primarily for the purposes of streamlining the Company's M&A to be in line with the Act, which was implemented with effect from 31 January 2017, the Listing Requirements and the MCCG.

The Proposed Adoption is also undertaken to provide clarity to certain provisions and for better flow of sentences and categories.

### **4.0 EFFECTS OF THE PROPOSED ADOPTION**

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

### **5.0 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

None of our Directors, major shareholders and/or persons connected with them has any interest, direct and/or indirect, in the Proposed Adoption of New Constitution.

### **6.0 APPROVAL REQUIRED**

The Proposed Adoption of New Constitution is a special resolution and conditional upon approval being obtained at least from three fourths of the shareholders of VSTECS present and voting at the forthcoming Twenty-Third AGM to be convened.

No other regulatory approval is required for the Proposed Adoption of New Constitution.

### **7.0 DIRECTORS' STATEMENTS AND RECOMMENDATION**

The Board of VSTECS, 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 Twenty-Third AGM.

### **8.0 FURTHER INFORMATION**

Shareholders are advised to refer to the Appendix II for further information.

Yours faithfully,

For and on behalf of the Board of Directors of  
**VSTECS BERHAD**  
(Formerly known as ECS ICT Berhad)

**SOONG JAN HSUNG**  
Executive Director/ Chief Executive Officer



(Incorporated in Malaysia under the Companies Act 1965 and  
deemed registered under the Companies Act 2016)

**PROPOSED NEW CONSTITUTION**

**OF**

**VSTECS BERHAD**  
**(FORMERLY KNOWN AS ECS ICT BERHAD)**  
(Company No. 351038-H)

This is the Appendix II of Part B of the Circular/Statement to Shareholders dated 16 April 2019 referred to in the Agenda No. 11 of the Notice of the Twenty-Third Annual General Meeting (“**23<sup>rd</sup> AGM**”) of VSTECS Berhad (formerly known as ECS ICT Berhad).

Date and time of the 23<sup>rd</sup> AGM : Wednesday, 15 May 2019 at 10:30 a.m.

Venue of the 23<sup>rd</sup> AGM : Greens III (Sports Wing), Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan

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**THE COMPANIES ACT, 2016**  
**MALAYSIA**  
**PUBLIC COMPANY LIMITED BY SHARES**  
**CONSTITUTION**  
**OF**  
**VSTECS BERHAD**  
**(FORMERLY KNOWN AS ECS ICT BERHAD)**

**1. NAME**

The name of the Company is VSTECS Berhad (formerly known as ECS ICT Berhad).

**2. REGISTERED OFFICE**

The registered office of the Company will be situated in Malaysia.

**3. PUBLIC COMPANY**

The Company is a public company limited by shares and the liability of Members is limited.

**4. OBJECTS**

- (a) To carry on the business of an investment company and for that purpose to acquire and hold either in the name of the company or in that of any nominees shares, stocks, debentures, debenture stock, bonds, notes, obligations and securities issued or guaranteed by any company wherever incorporated or carrying on business and debentures, debenture stocks, bonds, notes, obligation and securities issued or guaranteed by any government, sovereign ruler, commissioners, public body or authority, supreme, dependent, municipal, local or otherwise in any part of the world.
- (b) To carry on in Malaysia or elsewhere in any part of the world either directly or indirectly through investment holding the business of sales, marketing, testing, research and development, manufactures, producers, storers, suppliers, distributors, traders, retailers, importers and exporters of all types of information and communication technology related products and services.
- (c) To carry on trade or business of manufacturers of and dealers in and to buy, sell, hire, exchange, let on hire, lease, import, export, use, operate, convert, alter and in any manner considered expedient to deal with computers and tabulators of every kind, and activation, accounting, book-keeping, calculating, counting, reckoning, registering, recording, perforating, tabulating, sorting, adding, subtracting, dividing, multiplying, printing, typewriting, copying, systems, apparatus, appliances and devices of all kinds, and for all purposes, and any products thereof, or materials, or articles used in connection herewith, and any and all other machines, machinery, appliances, apparatus, devices, materials, substances, articles or things of a character similar or analogous to the foregoing, or any of them or connected therewith.

**5. CAPACITY AND POWERS**

Subject to the provisions of the Applicable Laws of Malaysia and this Constitution, the Company has:-

- (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
- (b) for the purposes of paragraph (a), full rights, powers and privileges.

## 6. DEFINITION AND INTERPRETATIONS

### 6.1 Definition

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

“**Act**” means the Companies Act 2016 and any statutory modification, amendment or re-enactment thereof and any and every other legislation for the time being in force made thereunder and any written law for the time being in force concerning companies and affecting the Company.

“**Applicable Laws of Malaysia**” means the Act, Central Depositories Act, the Listing Requirements and the Rules.

“**Authorised Nominee**” means a person who is authorised to act as nominee as specified under the Central Depositories Act and the Rules.

“**Board**” means the Board of Directors for the time being of the Company.

“**Central Depository**” means Bursa Malaysia Depository Sdn. Bhd. or such other names by which it may be known from time to time.

“**Central Depositories Act**” means the Securities Industry (Central Depositories) Act 1991, as may be amended, modified or re-enacted from time to time.

“**Company**” means the abovenamed Company by whatever name from time to time called.

“**Constitution**” means this Constitution as originally framed or as altered from time to time by Special Resolution.

“**Depositor**” means a holder of a Securities Account established by the Central Depository.

“**Deposited Security**” means a Security or Securities standing to the credit of a Securities Account and includes Securities in a Securities Account that is in suspense.

“**Directors**” means the Directors for the time being of the Company.

“**Electronic Address**” means any electronic mail address or mobile or contact number used for the purpose of sending or receiving documents or information by electronic means.

“**Electronic Communication**” means 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. This includes the transmission of any notice, document or information via electronic mail or short messaging service or multimedia or social media programme or application or such other mode, programme or platform capable of performing a similar function.

“**Electronic Form**” means document or information sent by Electronic Communication or by any other means whereby a recipient of such document or information would be able to retain a copy.

“**Employee Share Scheme**” means a Share Issuance Scheme and a Share Grant Scheme.

“**Exchange**” means Bursa Malaysia Securities Berhad or such other names by which it may be known from time to time.

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

**"Holder/Securities Holder"** means in relation the Securities in the Company, any person/persons whose names appear on the Register of Members and any Depositor whose names appear on the Record of Depositors but shall exclude the Depository or its nominee company in whose name the Deposited Security is registered. "Holding of shares in the Company" and "shareholder of the Company" and any other similar expressions shall have the corresponding meaning.

**"Listing Requirements"** means the Main Market Listing Requirements of Bursa Malaysia Securities Berhad including any amendments to the Listing Requirements that may be made from time to time.

**"Market Day"** means a day on which the stock market of the Exchange is open for trading in securities.

**"Member(s)"** means any person(s) whose name(s) is/are entered in the Company's register of members including Depositors whose names appear on the Record of Depositors except the Bursa Malaysia Depository Nominees Sdn. Bhd.

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

**"Ordinary Resolution"** means a resolution which has been passed by a simple majority of more than half of such Members who are entitled to vote and do vote in person, or where proxies are allowed, by proxy.

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

**"Rules"** means the Rules of the Central Depository and any appendices thereto as may be amended or modified from time to time.

**"Seal"** means the Common Seal of the Company.

**"Secretary"** means any person or persons appointed to perform the duties of the secretary of the Company under Section 236 of the Act and shall include a joint, temporary, assistant or deputy secretary.

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

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

**"Share Grant Scheme"** means a scheme involving the grant of the Company's existing shares to employees and/or Directors.

**"Share Issuance Scheme"** means a scheme involving a new issuance of the Company's shares to employees and/or Directors.

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

**"Shares"** means shares in the Company.

**"SICDA"** means the Securities Industry (Central Depositories) Act 1991, and every statutory modification, amendment or re-enactment thereof for the time being in force and includes all subsidiary legislations made thereunder.

“**Special Resolution**” means a resolution of which a notice of not less than twenty-one (21) days has been given and which has been passed by a majority of not less than seventy-five per centum (75%) of such Members who are entitled to vote and do vote in person, or where proxies are allowed, by proxy.

“**Year**” means a calendar year commencing from the 1st January to the 31st December inclusive.

The expressions "debenture" and "debenture-holder" shall include "debenture-stock" and "debenture-stockholder", and the expression "Secretary" shall include any person appointed by the Directors to perform any of the duties of the Secretary.

## **6.2 Interpretation**

In this Constitution, unless there is something in the subject or context inconsistent with such construction or unless it is otherwise expressly provided.

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

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

Words and phrases, definitions of which are given in the Act shall be construed as having the meaning thereby attributed to them, but excluding any statutory modification thereof not in force at the date of adoption of this Constitution.

Any reference to a statutory provision includes any modification, consolidation or re-enactment thereof for the time being in force, and all statutory instruments or orders made pursuant thereto; and

Subject as aforesaid, words or expressions contained in this Constitution shall be interpreted in accordance with the provisions of the Interpretation Acts 1948 and 1967, as amended from time to time and any re-enactment thereof.

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

## **7. SHARES**

### **7.1 Issue of shares**

No Director shall participate in an issue of shares to employees of the Company unless the shareholders in general meeting have approved of the specific allotment to be made to such Director and unless he holds office in the Company in an executive capacity.

### **7.2 Commission on subscription of shares**

The Company may pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscription, whether absolute or conditional, for any shares in the Company provided that the commission shall not exceed ten percent (10%) of the price at which such shares are issued, or an amount equivalent to such percentage of that price, and the requirements of the Act whichever is lesser and that the requirements of Section 80 of the Act shall be duly complied with.

### **7.3 Interest on share capital during construction**

Where any shares are issued for the purpose of raising money to defray the expenses of construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest or returns on the amount of such share capital as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in Section 130 of the Act and may charge the same to capital as part of the cost of construction of the works or buildings or plant.

### **7.4 Trusts not to be recognised**

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

### **7.5 Allotment and Despatch of Notice of Allotment**

Subject to the provisions of the Act, the SICDA, the Listing Requirements and the Rules, the Company must issue and allot the Securities and despatch notices of allotment to the allottees and make application for the quotation of such Securities within the stipulated time frame as may be prescribed by the Exchange and deliver to the Central Depository the appropriate certificate, if any, in such denomination as may be specified by the Central Depository registered in the name of Central Depository or its nominee company.

### **7.6 No financial assistance**

The Company shall not give any financial assistance, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company, nor shall the Company make a loan on its shares or those of its holding company unless such provision of financial assistance is permitted under the Applicable Laws of Malaysia.

### **7.7 Compliance with requirements**

The Company shall duly observe and comply with all Applicable Laws of Malaysia from time to time prescribed by the relevant authority.

### **7.8 Issue of securities**

Subject to the Applicable Laws of Malaysia and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company must ensure that it shall not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding 12 months, exceeds ten percent (10%) of the total number of the issued shares of the Company, except where the shares or convertible securities are issued with the prior approval of the shareholders in general meeting of the precise terms and conditions of the issue. In working out the number of shares or convertible securities that may be issued by the Company, if the security is a convertible security, each such security is counted as the maximum number of shares into which it can be converted or exercised.

### **7.9 Exercise of right of Members**

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

#### **7.10 Instalments**

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

### **8. LIEN**

#### **8.1 Company's lien on shares and dividends**

The Company's lien on shares and dividends from time to time declared in respect of such shares, shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, or if the shares were acquired under an Employee Share Scheme, amounts which are owned to the Company for acquiring them, and to such amounts as the Company may be called upon by law to pay and has paid in respect of the shares of the Member or deceased Member.

#### **8.2 Lien enforced by sale of shares**

The Company may sell the shares subject to any such lien at such time or times and in such manner, as they think fit, but no sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof are or is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, and until a demand and notice in writing stating the amount due or specifying the liability or engagement and demanding payment or fulfilment or discharge thereof, and giving notice of intention to sell in default shall have been served on such Member entitled to the shares and default in payment, fulfilment or discharge shall have been made by him for 14 days after such notice.

#### **8.3 Application of proceeds of sale**

The proceeds of the sale after payment of the amount of all costs of such sale and of any attempted 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 if any share is forfeited and sold, any residue after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid to the person whose shares have been forfeited, or his executors, administrators or assignees or as he directs.

#### **8.4 Members not entitled to privileges of membership until all calls paid**

No Member shall be entitled to receive any dividend or exercise any privilege as a Member in respect of any shares upon which any calls for the time being due and payable shall be unpaid.

### **9. CERTIFICATES**

#### **9.1 Issue of share certificates**

The Company shall only issue jumbo certificates in respect of Shares or Securities in favour of Bursa Malaysia Depository Nominees Sdn. Bhd. as he may be directed by the Securities Commission of Malaysia or Bursa Malaysia Depository Nominees Sdn. Bhd. pending the crediting of Shares or Securities into the Securities Account of the person entitled to such Shares or Securities or as may be prescribed by the Central Depositories Act and the Rules PROVIDED ALWAYS that every certificate shall be issued under the Share seal or Seal in such form as the Directors shall from time to time prescribe and shall bear the facsimile signature of at least one Director and a second Director or the Secretary or some other person appointed by the Directors, and shall specify the number and class of Shares or Securities to which it relates and the amounts paid thereon.



## **10. CALLS ON SHARES**

### **10.1 Calls on shares**

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 provided that at least fourteen (14) days' notice 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.

### **10.2 When call made**

A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. Any call may be made payable either in one sum or by instalments. No shareholder shall be entitled to receive any dividend or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him together with interest and expenses (if any).

### **10.3 Interest on unpaid call**

If before or on the day appointed for payment thereof a call or instalment payable in respect of a share is not paid, the person from whom the sum is due shall pay interest or compensation on the amount of the call or instalment 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.

### **10.4 Sums payable on allotment deemed a call**

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, all the relevant provisions of this Constitution and the Act as to payment of interest and expenses, forfeiture or otherwise shall apply as if the sum had become payable by virtue of a call duly made and notified.

### **10.5 Different in calls**

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.

### **10.6 Calls may be paid in advance**

Subject to the Applicable Laws, 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 up on 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, in addition to the dividend payable upon such part of the share in respect of which such advance has been made as is actually called up. Capital paid on shares in advance of calls shall not, whilst carrying interest confer a right to participate in profits. (Except in liquidation, sums paid in advance of calls shall not, until the same would but for such advance has become payable be treated as paid up on the shares in respect of which they have been paid.)

## **11. TRANSFER OF SHARES**

### **11.1 Transfer in writing and to be left at Office**

For the purpose of registration of a transfer of shares that are not Deposited Securities, every instrument of transfer which is executed in accordance with the Applicable Laws of

Malaysia, shall be left at the Office of the Registrar together with such fee not exceeding RM3.00 or as the Directors may determine, where a share certificate has been issued for the share to be transferred, the certificate of the shares and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares, and thereupon the Company shall subject to the powers vested in the Directors by this Constitution register the transferee as the Shareholder within thirty (30) days from receipt of such duly executed and stamped instrument of transfer.

#### **11.2 Transfer of securities**

The transfer of any Deposited Security 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 Deposited Security.

#### **11.3 Execution**

The instrument of transfer of a share shall be signed by or on behalf of the transferor and transferee provided that subject to compliance with the Central Depositories Act and the Rules, an instrument of transfer in respect of which the transferee is Central Depository shall be effective although not signed by or on behalf of the Central Depository if it has been certified by an authorised depository agent pursuant to Section 18 of the Central Depositories Act. Subject to the Applicable Laws of Malaysia, 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 in respect thereof.

#### **11.4 Prohibited transfer**

No Securities shall, in any circumstances, be transferred to any infant, bankrupt or person of unsound mind.

#### **11.5 Directors may refuse registration of transfer**

Subject to the provisions of the Act, the Central Depositories Act, the Listing Requirements and the Rules, the Directors may, in their discretion and without assigning any reason therefor, refuse to register, the transfer of any share, not being a fully paid share, and whether or not the Company claims lien on the same.

#### **11.6 Closing of registration of transfers**

The registration of transfers may be closed at such times and for such periods as the Directors may from time to time determine but not exceeding in the whole thirty (30) days in any year. In relation to the closure, the Company shall give written notice in accordance with the Rules to the Central Depository to prepare the appropriate Record of Depositors.

### **12. TRANSMISSION OF SECURITIES**

#### **12.1 Transmission of Securities between registers**

Where –

- (a) the Securities of the Company are listed on another stock exchange; and
- (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) (No. 2) Act 1998, as the case may be, under the Rules in respect of such Securities,

the Company shall, upon request of a Securities holder, permit a transmission of Securities held by such Securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange, to the register of holders

maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such Securities.

#### **12.2 Death of Member**

In the case of the death of a Member, the legal personal representative of the deceased shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of a deceased Member from any liability in respect of any share which has been held by the deceased Member.

#### **12.3 Share of deceased or bankrupt Member or liquidation**

Any person becoming entitled to a share (that is not a Deposited Security) in consequence of the death or bankruptcy (or in the case of a body corporate, liquidation, otherwise than for the purpose of reconstruction or amalgamation) of a Member may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or debentures or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death, bankruptcy or liquidation, as the case may be. Where the share is a Deposited Security, subject to the provisions of the SICDA, the Rules and any written law, a transfer or withdrawal or transmission of the share may be carried out by the person becoming so entitled.

#### **12.4 Persons entitled or may receive dividends without being registered as Member, but may not vote**

A person entitled to shares and/or debentures in consequence of the death or bankruptcy of a Member shall be entitled upon the production of such evidence as may from time to time be properly required by the Directors and the Depository in that behalf and subject to the Central Depositories Act and the Rules, to receive and may give a discharge for all dividends and other moneys payable in respect of the shares and/or debentures, but he shall not be entitled to receive notice of or to attend or vote at any meeting, or, save as aforesaid, to exercise any of the rights and privileges of a Member or debenture holder, unless and until he shall have become a Member or debenture holder in respect of the shares and debentures. Where two or more persons are jointly entitled to any share and/or debenture in consequence of the death of the holder of the share they shall, for the purposes of these Clauses, be deemed to be the joint holders of the share and/or debenture.

### **13. FORFEITURE OF SHARES**

#### **13.1 Notice to pay calls**

If any Member fails to pay the whole or any part of any call on the day appointed for the payment thereof, the Directors may, at any time thereafter during such time as the call or instalment or any part thereof remains unpaid, serve a notice on him requiring him to pay such call or instalment, or such part thereof as remains unpaid, together with any interest at such rate not exceeding eight per centum (8%) per annum as the Directors shall determine from time to time from the date of appointed for the payment, and any expenses that may have accrued by reason of such non-payment.

#### **13.2 Period of notice**

The notice shall:-

- (i) require that Member to pay the call or instalment and any interest payable and expenses incurred by the Company arising from the non-payment;
- (ii) give a date by which payment is to be made; and
- (iii) state that if payment is not made by that date, the shares which relate to that call or instalment are liable to be forfeited.

### **13.3 Forfeiture for non-payment**

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

### **13.4 Notice of forfeiture to be given and entered in register of members**

When any share has been forfeited in accordance with this Constitution, notice of the forfeiture shall forthwith be given within fourteen (14) days to the holder of the share or to the person entitled to the share by reason of the death or bankruptcy, as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof shall forthwith be made in the Record of Depositors opposite to the share.

### **13.5 Directors may cancel forfeiture**

A share so forfeited shall become the property of the Company and may be re-allotted, sole or otherwise disposed of on such terms and in such manner as the Directors thinks fit and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Directors thinks fit.

### **13.6 Procedure for sale of forfeited shares**

The Company may receive the consideration, if any, given for a forfeited share on any sale, re-allotment or disposition thereof and may execute the transfer of the share in favour of the person to whom the share is sold or disposed of and he shall be registered as the shareholder and shall not have 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. Subject to any lien for sums not presently payable, if any, 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.

### **13.7 Consequences of forfeiture**

The forfeiture of a share shall involve the extinction at the time of forfeiture 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.

### **13.8 Liability on forfeiture**

A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, was payable by him to the Company in respect of the shares (together with interest or compensation at the rate of eight per centum (8%) per annum or such other rate as may be allowed under the Applicable Laws of Malaysia and determined by the Directors to be calculated from the date of forfeiture on the money for the time being unpaid if the Directors thinks fit to enforce payment of such interest or compensation), and his liability shall cease if and when the Company receives payment in full of all such money in respect of the shares.

### **13.9 Statutory declaration as conclusive evidence**

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 shares.

### **13.10 Application of forfeiture provision**

The provisions of this Constitution as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable to the Company at a fixed time as if the same had been payable by virtue of a call duly made and notified.

## **14. CONVERSION OF SHARES INTO STOCKS**

### **14.1 Conversion of shares into stock and reconversion**

The Company may by Ordinary Resolution passed at a meeting of Members convert any paid up shares into stock or re-convert any stock into paid up shares of any denomination.

### **14.2 Transfer of stock**

The stockholders may transfer the same or any part thereof in the same manner and subject to the same in this Constitution and subject to which the shares from which the stock arose might, before the 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.

### **14.3 Participation of stockholders in dividends and profits**

The stockholders shall, according to the amount of the stock held by them, have the same rights, privileges and advantages with regards to dividends, voting at meetings of Members and other matters as if they held the shares from which the stock arose, but no such right, privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by any such amount of stock which would not, if existing in shares, have conferred that right, privilege or advantage.

### **14.4 Definition**

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

## **15. ALTERATION OF CAPITAL**

### **15.1 Company may alter its capital in certain ways**

Subject to the Applicable Laws of Malaysia, the Company may from time to time by Special Resolution:-

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) subdivide its share capital or any part thereof into shares of smaller amount than is fixed by this Constitution by subdivision of its existing shares or any of them, subject nevertheless to the provisions of the Act and so that as between the resulting shares, one (1) or more of such shares may, by the resolution by which such subdivision is effected, be given any preference or advantage as regards dividends, return of capital, voting or otherwise over the others or any other of such shares;

- (c) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled; and
- (d) subject to the provisions of this Constitution and the Act, convert and/or re-classify any class of shares into any other class of shares.

#### **15.2 Power to reduce capital**

The Company may by Special Resolution, reduce its share capital in any manner permitted or authorised under and in compliance with the Applicable Laws of Malaysia.

#### **15.3 Purchase of own shares**

Subject to the provisions of the Act and/or the Applicable Laws of Malaysia, the Company may, with the sanction of an Ordinary Resolution of the Members in general meeting, purchase its own shares and make payment in respect of the purchase and/or give financial assistance to any person for the purpose of purchasing its own shares on such date(s), terms and manner as may be determined from time to time by the Directors. Any shares in the Company so purchased by the Company shall be dealt with in accordance with the Act and/or the Applicable Laws of Malaysia. The provision of Clauses 15.1 and 15.2 hereof shall not affect the power of the Company to cancel any shares or reduce its share capital pursuant to any exercise of the Company's power under this Clause.

### **16. INCREASE OF CAPITAL**

#### **16.1 Increase of share capital**

The Company may from time to time, whether all the shares for the time being issued shall have been fully called up or not, by Ordinary Resolution increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and (subject to any special rights for the time being attached to any existing class of shares) to carry such preferential, deferred or other special rights (if any) or to be subject to such conditions or restrictions (if any), in regard to dividend, return of capital, voting or otherwise, as the Company by the resolution authorising such increase may direct.

#### **16.2 Preference shares**

Subject to the Applicable Laws of Malaysia and this Constitution, any preference shares may with the sanction of an Ordinary Resolution of shareholders in general meeting, be issued on terms that they are or at the option of the Company are liable to be redeemed on such terms and in such manner as may be provided for by this Constitution from time to time and the Company shall not issue preference shares ranking in priority over preference shares already issued but may issue preference shares ranking equally therewith.

#### **16.3 Rights of preference shareholders**

- (a) A holder of preference shares must have a right to vote in each of the following circumstances:-
  - (i) when the dividend or part of the dividend on the share is in arrears for more than six (6) months;
  - (ii) on a proposal to reduce the Company's share capital;
  - (iii) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
  - (iv) on a proposal that affects the rights and privileges attached to the preference shares;
  - (v) on a proposal to wind up the Company; and
  - (vi) during the winding up of the Company.

- (b) A holder of preference shares shall be entitled to the same rights as a holder of ordinary shares in relation to receiving notices, reports, audited accounts and attending meetings.

#### **16.4 Repayment of preference capital**

Notwithstanding Clause 16.2 hereof, the repayment of preference share capital other than redeemable preference shares or any alteration of preference shareholders' rights shall only be made pursuant to a Special Resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing obtained from the holders of seventy-five per centum (75%) of the preference capital concerned within two (2) months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting.

#### **16.5 Offer of new shares to existing Members**

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons who as at the date of the offer, are entitled to receive notices from the Company of general meetings, in proportion, as nearly as circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, shall be deemed to be declined, and, after the expiration of 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 or securities offered, the Directors may, subject to this Constitution, dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities), cannot, in the opinion of the Directors, be conveniently, offered under this Constitution.

#### **16.6 New share to be original capital unless otherwise provided**

Except so far as otherwise provided by the conditions of issue in this Constitution, any share 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.

### **17. MODIFICATION ON RIGHTS**

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of seventy-five per centum (75%) of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting the provisions of this Constitution relating to general meetings shall mutatis mutandis apply so that the necessary quorum shall be two (2) persons at least holding or representing by proxy at least one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such Special Resolution the provisions of Section 292 of the Act shall apply with such adaptations as are necessary.

### **18. ANNUAL GENERAL MEETINGS AND MEETINGS OF MEMBERS**

#### **18.1 Annual general meetings**

The Company shall in each year hold an annual general meeting in addition to any other meetings in that year, within six (6) months of the Company's financial year end and not more than fifteen (15) months after the last preceding annual general meeting.

## **18.2 Extraordinary general meetings**

Every general meeting of the Company other than the annual general meeting shall be called an "Extraordinary General Meeting".

## **18.3 Power to convene an Extraordinary General Meeting**

An Extraordinary General Meeting may be convened by the Directors whenever they think fit. In addition, an Extraordinary General Meeting may be convened on such requisition as provided by Sections 310 and 311 of the Act. The Directors shall call for the meeting in accordance with Section 312 of the Act.

## **18.4 Meetings of Members**

- (a) The main venue of all meetings of Members and annual general meetings shall be within Malaysia at such time and place as the Director shall determine. The chairman shall be present at that main venue of the meeting. The Directors may whenever it so decided by resolution convene a meeting of Members other than annual general meeting. If the meeting of Members is to be held in two (2) or more places, the notice of the meeting of Members shall specify the technology or method that will be used to facilitate the meeting of Members.
- (b) The Members may participate in a meeting of Members at more than one (1) venue by video conference, web-based communication, electronic or such other communication facilities or technologies available from time to time in the future which would permit all Members participating in the meeting to communicate with each other simultaneously and instantaneously and to vote at such meeting.
- (c) Participation by a Member in a meeting by any of the communication facilities referred to in Clause 18.4(b) shall be deemed as present at the said Meeting and shall be counted towards the quorum notwithstanding the fact that he is not physically present at the main venue where the meeting is to be held.
- (d) Such a meeting shall not be deemed to have proceeded for such period or periods where any of the communication facilities referred to in Clause 18.4(b) have been disconnected. The chairman of such meeting shall have the discretion to postpone the meeting which had been disconnected and which cannot be reconnected within a reasonable time, to another date and time to be agreed by the Members of the meeting.

## **18.5 Requisition of meetings**

If the Directors do not convene the meeting in accordance with Clause 18.3, the Members who requisitioned the meeting, may call for the meeting in the manner provided in Section 313 of the Act. Any meeting convened by requisitionist shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors.

## **18.6 Notices of meetings**

Every notice of an annual general meeting shall be issued in accordance with the Applicable Laws of Malaysia and 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.

The notices convening meetings of Members shall specify the place, date and time of the meeting, and the general nature of business of the meeting. Notice shall be given to all Members, Directors and Auditors of the Company at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any Special Resolution is to be proposed or where it is an annual general meeting.



Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least 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 or English daily newspaper and in writing to each stock exchange upon which the Company is listed.

#### **18.7 Record of Depositors**

- (a) The Company shall request the Central Depository in accordance with the Rules, to issue a Record of Depositors to whom notices of meetings of Members shall be given by the Company.
- (b) 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 meeting of Members (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.
- (c) Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable), a Depositor shall not be regarded as a Member entitled to attend any meeting of Members and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.

#### **18.8 Business at meetings of Members**

Subject always to the provisions of the Act, no business shall be transacted at a meeting of Members except business of which notice has been given in the notice convening the meeting. An annual general meeting shall be held to transact the business in accordance with the Act. The followings are deemed to be ordinary business of an annual general meeting:-

- (a) laying of the audited financial statements and the reports of the Directors and auditors;
- (b) election of Directors in the place of those retiring;
- (c) appointment of Directors;
- (d) fixing of the Directors' fees; and
- (e) appointment of auditors and fixing of the remuneration of the auditors in accordance with the Act.

#### **18.9 Requirement in notice calling Meeting**

In every notice calling a meeting of Members there shall appear with reasonable prominence a statement that a Member entitled to attend and vote, is entitled to appoint proxy(ies) in accordance with Clause 20.4 hereof, to attend, participate, speak and vote instead of him.

#### **18.10 Omission not to invalidate proceedings**

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

#### **18.11 Call of meetings by shorter notice**

A meeting of the Company shall, notwithstanding that it is called by notice shorter than that specified in this Constitution, be deemed to be duly called if it is so agreed:-

- (a) in the case of an annual general meeting, by all the Members entitled to attend and vote at such meeting; or
- (b) in the case of a meeting of Members other than an annual general meeting and a meeting of Members for passing of a Special Resolution, by a majority in the number of the Members who together hold not less than ninety-five per centum (95%) of the total number of shares giving the rights to attend and vote thereat as is required by the Act.

#### **18.12 Resolution requiring special notice**

Where by any provisions of the Act, special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty-eight (28) days before the meeting at which it is moved and the Company shall, where applicable, give its Members notice of any such proposed resolution at the same time and in the same manner as it gives notice of the meeting or, if that is not practicable shall give its Members notice thereof, not less than fourteen (14) days before the meeting, by advertising it in one (1) widely circulated newspaper in Malaysia in the national language and one (1) widely circulated newspaper in Malaysia in the English language, but if after notice of the intention to move such a resolution has been given to the Company, a meeting is called on a date twenty-eight (28) days or less after the notice has been given, the notice although not given within the time required by this Clause shall be deemed to be properly given.

#### **18.13 Power of Members to require circulation of statements**

Members may require the Company to circulate to Members entitled to receive notice of a meeting of Members a statement of not more than one thousand (1000) words with respect to a matter referred to in a proposed resolution or other business to be dealt with at that meeting or to give notice of a resolution which may be properly moved and is intended to be moved at the meeting of Members.

### **19. PROCEEDINGS AT MEETINGS OF MEMBERS**

#### **19.1 Special business**

All business transacted at any Annual General Meeting, other than business stated in Clause 18.8, and all business transacted at an Extraordinary General Meeting, shall be deemed special.

#### **19.2 Quorum**

No business shall be transacted at any meeting of Members unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, two (2) Members present in person or by proxy shall be a quorum. For the purpose of this Constitution, "Member" includes a person attending as a proxy or representing a corporation which is a Member.

#### **19.3 Proceeding of quorum not present meeting adjourned or dissolved**

If within half (1/2) an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon 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 such public holiday), at the same time and place or to such other day and at such other time and place as the Directors may determine, but if a quorum is not present within half (1/2) an hour from the time appointed for holding the adjourned meeting, the Members present shall be a quorum and may transact the business of which the meeting was called.

**19.4 Chairman of the meeting of Members**

The chairman of the Board shall preside as chairman at every meeting of Members. If there is no such chairman or if the chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, the Directors present shall choose one (1) of their number to act as chairman of such meeting, or if one (1) Director only is present he shall preside as the chairman if he is willing to act. If no Director is chosen who shall be willing to act, the Members present in person and entitled to vote shall elect one (1) of their own number to act as chairman at such meeting. For avoidance of doubts, a proxy appointed by a Member shall not be eligible for election as chairman of the meeting of Member.

**19.5 Chairman may adjourn meeting and notice of adjournment to be given**

The chairman may, with the consent of any meeting at which a quorum is present and if directed by the meeting shall, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

**19.6 Voting by show of hands**

On a resolution to be decided on show of hand, a Member who is personally present or by proxy or by a duly authorised representative and entitled to vote shall be entitled to one (1) vote.

**19.7 Declaration by the chairman**

- (a) On a vote on a resolution at a general meeting on a show of hands, a declaration by the chairman that a resolution has been passed unanimously, or with a particular majority, or is lost, and an entry to that effect in the minutes of the proceeding shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- (b) The decision of the chairman on points of order, matters of procedure arising incidentally out of the business of a general meeting is conclusive, as is the chairman's decision, acting in good faith, on whether a point or matter is of this nature.

**19.8 Voting by poll**

- (a) Subject to any express requirement of the Listing Requirements, at all general meetings, resolutions put to the vote of the meeting shall be decided on a show of hands, unless before or upon the declaration of the resolution of the show of hands a poll be demanded:
  - (i) by the chairman;
  - (ii) by at least three (3) Members present in person or by proxy;
  - (iii) by any Member or Members present in person or by proxy and representing not less than ten per centum (10%) of the total voting rights of all the Members having the right to vote at the meeting; or
  - (iv) by a Member holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than ten per centum (10%) of the total paid up shares conferring that right.

- (b) Subject to any express requirements under the Listing Requirements, 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. A poll shall be taken in such manner and either forthwith or after an interval or adjournment or otherwise as the chairman directs and the result of the poll shall be the resolution of the meeting at which the poll was taken, but a poll demanded on the election of chairman or on a question of adjournment shall be taken immediately. The Company shall appoint at least one (1) scrutineer if so required under the Listing Requirements, for the purpose of verifying the results of the poll and may, in addition to the power of adjourning meetings as contained in this Constitution, adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll.
- (c) On a poll, votes may be given either personally or by proxy. A proxy shall be any person appointed by a Member and who shall not necessarily be a Member and such proxy shall be entitled to vote on a poll provided he is the only proxy appointed by the Member. Where a Member entitled to vote on a resolution has appointed more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, otherwise, the appointment shall not be valid.

#### **19.9 Withdrawal of a demand for poll**

The demand for a poll may be subsequently withdrawn.

#### **19.10 Counting of votes**

If any vote shall have been counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting or at an adjournment thereof and unless in the opinion of the chairman at the meeting or any adjournment thereof as the case may be, it shall be of sufficient importance to vitiate the results of the poll.

#### **19.11 Taking of poll**

Subject to this Constitution, a poll shall be taken in such manner as the chairman may direct and the result of a poll shall be deemed the resolution of the meeting at which the poll was taken. The poll may be conducted manually using voting slips or electronically using various forms of electronic voting devices. The chairman shall appoint at least one (1) scrutineer for the purposes of a poll in accordance with the Applicable Laws of Malaysia and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the results of the poll.

#### **19.12 Evidence of passing of resolutions**

The chairman of the meeting declares whether or not the resolutions put to vote at a meeting of Members are carried, based on the poll results, which show the total number of votes cast on the poll (together with the percentage) in favour of and against the resolution, as announced by the scrutineer.

#### **19.13 No poll on election of chairman or adjournment**

No poll shall be demanded on the election of a chairman of a meeting of Members or on a question of adjournment of a meeting of Members.

### **20. VOTE OF MEMBERS**

#### **20.1 Chairman's casting vote**

In the case of an equality of votes, the chairman of the meeting shall not have a second or casting vote in addition to the votes to which he may be entitled as a Member.

## **20.2 Voting rights**

Subject to this Constitution and to any rights or restrictions for the time being attached to any shares or classes of shares, at meetings of Members or classes of Members, each Member entitled to vote may vote in person or by proxy or by attorney. On a resolution to be decided by a poll, every Member voting in person or by proxy or by attorney shall have one (1) vote for each share he holds.

## **20.3 Votes of members of unsound mind**

A Member who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote, by his committee or by such other person who properly has the management of his estate and any such committee or other person may vote by proxy or attorney.

## **20.4 Instrument appointing proxy to be in writing**

Subject to the Act or other written laws, the instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, under its 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.

## **20.5 Corporate representative**

Subject to the provisions of Section 333 of the Act, any corporation which is a Member, may by resolution of its Directors or other governing body, authorise such person(s) as it thinks fit to act as its representative(s) at all meetings of Members and a person so authorised shall in accordance with his authority and until his authority is revoked by the corporation be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member.

## **20.6 Votes of legal personal representatives of Members**

The legal personal representative of a deceased Member or the person entitled under Clause 12.2 to any share in consequence of the death or bankruptcy of any Member may vote at any meeting of Members in respect thereof in the same manner as if he was the registered holder of such shares provided that forty-eight (48) hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to any share in consequence of the death or bankruptcy of any Member unless the Directors shall have previously admitted his right to vote in respect thereof.

## **20.7 Members in default**

No Member shall be entitled to be present or to vote at any meeting of Members or to exercise any privilege as a Member nor be counted as one of the quorums unless all calls or other sums immediately payable by him in respect of shares in the Company have been paid.

## **20.8 Objection to qualification of voter**

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

## **20.9 Authorised Nominee**

Where a Member is an Authorised Nominee, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds to which shares

in the Company standing to the credit of the said account.

#### **20.10 Exempt Authorised Nominee**

Where a Member of the Company is an Exempt Authorised Nominee which holds Deposited Securities 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.

#### **20.11 Proxy need not be a Member**

A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy and a proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.

#### **20.12 Appointment of proxy null and void by attendance by a Member at a meeting**

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

#### **20.13 Delivery of instrument appointing proxies**

- (a) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or notarially certified copy of such power or authority, shall be deposited at the Office, or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting of Members, not less than forty-eight (48) hours before the time appointed for holding the meeting of Members or adjourned meeting of Members, 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.
- (b) The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and generally to act at the general meeting for the Member giving the proxy and a proxy shall be entitled to attend and to vote on a poll on any question at the meeting and shall have the same rights as the Member to speak at the Meeting.

#### **20.14 Number of proxies allowed**

A Member may appoint more than one (1) proxy to attend the same meeting, to the extent permitted by the Applicable Laws of Malaysia.

Where the holder appoints two (2) proxies to attend and vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy. A proxy shall be entitled to vote on a show of hands on any question at any general meeting where a requirement to determine a resolution put to vote at the meetings of Members by poll is waived by the Exchange.

#### **20.15 Form of proxy**

The instrument appointing a proxy shall be in such form as the Directors may from time to time prescribe or approve subject to such variations or circumstances as the Act or Listing Requirements may require.

#### **20.16 Appointment of proxy via Electronic Communication**

- (a) 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 Clause and shall not be subject to the requirements of Clause 20.4.

- (b) For the purposes of this Clause, the Directors may require such reasonable evidence they consider necessary to determine and verify:-
  - (i) The identity of the Member and the proxy; and
  - (ii) Where the proxy is appointed by a person acting on behalf of the Member, the authority of that person to make the appointment.
- (c) Without prejudice to Clause 20.16, the appointment of a proxy by Electronic Communication must be received at the Electronic Address specified by the Company in any of the following source and shall be subject to any terms, conditions or limitations specified therein:-
  - (i) Notice calling the meeting;
  - (ii) Instrument of proxy sent out by the Company in relation to the meeting; or
  - (iii) Website maintained by or on behalf of the Company.
- (d) An appointment of proxy by Electronic Communication must be received at the Electronic Address specified by the Company pursuant to Clause 20.16(c) 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.
- (e) An appointment of proxy by Electronic Communication which is not made in accordance with this Clause shall be deemed invalid.

#### **20.17 Termination of proxy**

- (a) The termination of proxy shall be in accordance with the Applicable Laws of Malaysia.
- (b) A Member of the Company is permitted to give the Company notice of termination of a person's authority to act as proxy before commencement of a Meeting of Members or an adjourned meeting. The notice of termination must be in writing and be deposited at the Office or at such other place within Malaysia as designated by the Company.

### **21. DIRECTORS**

#### **21.1 Number of Directors on the Board**

Until otherwise determined by the Company in a meeting of Members, the number of Directors including Managing Director 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 continuing Director or Directors may act for the purpose of filling up such vacancy or vacancies or of summoning a general meeting of the Company.

#### **21.2 Director's qualification**

A Director shall not be required to hold any share in the Company.

#### **21.3 Alternate Directors**

Any Director may from time to time appoint any person (other than a Director) who is approved by a majority of the other Directors to be an alternate Director of the Company, and may at any time remove the alternate Director so appointed by him from office. Any

fee paid by the Company to the alternate Director shall be deducted from his appointor's remuneration. An alternate Director shall be entitled to receive notices of and attend all meetings of the Directors, and to vote as a Director at any such meeting at which the Director appointing him is not present, and generally in the absence of his appointer to perform all the functions of his appointer as a Director. An alternate Director may be removed from office by resolution of the Board, and shall ipso facto cease to be an alternate Director if his appointer ceases for any reason to be a Director. All appointments and removals of alternate Directors made by any Director in pursuance of the provisions of this Constitution shall be in writing under the hand of the Director making the same and left at the Office.

The nomination of an alternate Director shall be valid may be made in writing and sent by hand, post, facsimile or in any other form or manner, electronic or otherwise, as approved by the Directors, provided that such nomination shall be confirmed within three (3) months from the date of such notice by a written nomination complying with the above mentioned requirements, and any act done by the alternate Director nominated in such notice between the date thereof and the date of the receipt within the prescribed period by the Company of the written nomination shall be as valid and effectual as if such alternate Director had been duly appointed in the fit instance, whether such written nomination shall be received by the Company within the prescribed period or not.

#### **21.4 Remuneration**

The Directors shall be paid by way of remuneration for their services such fixed sum as shall from time to time be determined by the Company in general meeting, and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine PROVIDED ALWAYS that:-

- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- (b) salaries payable to executive Directors may not include a commission on or percentage of turnover; and
- (c) fee payable to Directors and any benefits payable to Directors shall be subject to annual shareholder approval at a general meeting; and
- (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

#### **21.5 Proceedings in case of vacancies**

The continuing Directors may act at any time notwithstanding any vacancy in their body PROVIDED ALWAYS that in case the Directors shall at any time be reduced in number to less than the minimum number prescribed by or in accordance with this Constitution, the remaining Directors, may, except in an emergency, act only for the purpose of increasing the number of Directors to such minimum number, or summoning a general meeting of the Company but not for any other purpose.

#### **21.6 Rotation and retirement of Directors**

An election of Directors shall take place each year at the annual general meeting of the Company where one-third (1/3) of the Directors for the time being, or, if their number is a multiple of three (3), 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 and shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

#### **21.7 Selection of Directors to retire**

The Director to retire in every year shall be those who have been longest in office since their appointment or 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.



**21.8 Notice of candidate as a Director**

No person, not being a retiring Director, shall be eligible for election to the office of Director at any meeting of Members unless a Member intending to propose him for election has, at least eleven (11) clear days before the meeting, left at the registered office of the Company a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such Member to propose him for election, provided that in the case of a person recommended by the Directors for election, nine (9) clear days' notice only shall be necessary, and notice of each and every candidature for election to the Directors shall be served on the registered holders of shares at least seven (7) days prior to the meeting at which the election is to take place.

**21.9 Retiring Director deemed to be re-appointed**

The Company at the meeting at which the Director retires may fill the vacated office by electing a person thereto. Unless at that meeting it is expressly resolved not to fill the vacated office or a resolution for re-election of the Director retiring at that meetings put to the meeting and lost or some other person is selected a Director in place of the retiring Director, the retiring Director shall, if offering himself for re-election and not being disqualified under the Act from holding office as a Director, be deemed to have been re-elected. A retiring Director shall be deemed to have offered himself for re-election unless he has given notice in writing to the Company that he is unwilling to be re-elected.

**21.10 Directors' power to fill casual vacancy and make additional appointment**

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

**21.11 No appointment of Directors by single resolution**

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

**21.12 Number may be increased or decreased**

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

**21.13 Removal of Directors**

The Company may by Ordinary Resolution of which special notice has been given in accordance with Section 206 of the Act, remove any Director before the expiration of his period of office notwithstanding anything in this Constitution or in any agreement between the Company and the Director, but without prejudice to any claim he may have for damages for breach of any such contract, and may, if thought fit, by Ordinary Resolution of which special notice has been given, appoint any other person as a Director in his place. The person so appointed shall be treated, for the purpose of determining the time at which he or any other Director is to retire, as if he had become a Director on the day on which the person in whose place he is appointed was last appointed a Director. In default of such appointment the vacancy so arising may be filled by the Directors as a casual vacancy.

#### **21.14 Appointment by the Board**

The Company may by Ordinary Resolution appoint another person in place of a Director removed from office. A person appointed in place of a Director so removed shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment, the vacancy so arising may be filled by the Directors as a casual vacancy.

#### **21.15 Reimbursement**

In addition to the remuneration provided under Clause 21.4, each Directors shall be paid such reasonable travelling, hotel and other expenses as he shall incur in attending and returning from meetings of the Directors or any committee of the Directors or meeting of Members or which they may otherwise incur in connection with the business of the Company.

#### **21.16 Vacation of office of Directors**

The office of Director shall, be vacated if the person holding that office:-

- (a) resigns in accordance with Sections 208(2) and 208(3) of the Act;
- (b) has retired in accordance with the Act or this Constitution but is not re-elected;
- (c) is removed from office in accordance with the Act or this Constitution;
- (d) becomes disqualified from being a Director under Section 198 or 199 of the Act;
- (e) ceases to be or is prohibited from being a Director by virtue of the Act or Listing Requirements or Applicable Laws of Malaysia;
- (f) 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 (Act 615);
- (g) dies; or
- (h) has been convicted in relation to the offences as follows:-
  - (i) by a court of law, whether within Malaysia or elsewhere, in connection with the promotion, formation or management of a corporation;
  - (ii) by a court of law, whether within Malaysia or elsewhere, involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
  - (iii) by a court of law, under the securities laws of the corporation's laws of the Company's place of incorporation;

within a period of 5 years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.

#### **21.17 Appointment of Advisers and Consultants**

The Directors may appoint:-

- (a) an advocate and solicitor or a firm of advocates and solicitors as legal adviser or advisers of the Company; or
- (b) a firm of consultants, a merchant bank or any other person or professionals as an adviser or a consultant of the Company,

upon such terms and conditions as it considers appropriate and in such cases, the Director may pay such remuneration for work and services rendered by such person as it deems fit.

## **22. MANAGING DIRECTOR**

### **22.1 Power to appoint Managing Director**

The Directors may from time to time appoint any one (1) or more of their body to be Managing Director and/or Executive Director for such period and upon such terms as they think fit and subject to the terms of any agreement entered into, in any particular case, may

vest in such Managing Director or Executive Director as may be appointed by them such of the powers hereby vested in the Directors generally upon such terms and conditions and with such restrictions as they think fit and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers as they think fit. The Managing Director shall be subject to the control of the Board.

#### **22.2 Managing Director subject to retirement by rotation**

Subject to the provisions of any contract entered into between him and the Company, a Managing Director shall be subject to the same provisions as to retirement by rotation, resignation and removal as the other Directors of the Company, and he shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.

#### **22.3 Remuneration of Managing Director**

The remuneration of a Managing Director shall be fixed by the Directors, and may be by way of fixed salary or commission or participation in profits or by any or all of those modes, but shall not include a commission on or percentage of turnover but it may be a term of his appointment that he shall receive pension, gratuity or other benefits upon his retirement.

### **23. POWERS AND DUTIES OF DIRECTORS**

#### **23.1 Powers and duties of Directors**

The business and affairs of the Company shall be managed by, or under the direction of the Directors who may pay all such expenses of and preliminary and incidental to the promotion, formation, establishment and registration of the Company as they think fit, and may exercise all such powers of the Company and do on behalf of the Company all such acts as may be exercised and done by the Company, and as are not by law or by this Constitution required to be exercised or done by the Company in general meeting, but the exercise of all such powers shall be subject to and in accordance with the provisions of any law and of this Constitution and shall also be subject to and in accordance with any resolution made by the Company in general meeting, provided that no resolution so passed shall invalidate any prior act of the Directors which would have been valid if such resolution had not been made.

#### **23.2 Directors' borrowing powers**

The Directors may from time to time at their discretion raise or borrow for the purpose of the Company such sums of moneys as they think proper. The Directors may borrow any money or mortgage or charge any of the Company's or its subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party. Provided that the Directors shall not issue any debt securities convertible to ordinary shares without the prior approval of the Company in general meeting.

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

#### **23.3 Director's Pensions**

The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director or former Director who has held any other salaried office or place of profit with the Company or to his widow or dependants or relations or connections and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

#### **23.4 Power to maintain Pension Fund**

The Directors may procure the establishment and maintenance of or participate in or contribute to any non-contributory or contributory pension or superannuation fund or life assurance scheme for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to any persons (including Directors and other officers) who are or shall have been at any time in the employment or service of the Company or of any company which is a subsidiary of the Company or of the predecessors in business of the Company or any such subsidiary company, or the wives, widows, families or dependants of any such persons. The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or otherwise to advance the interests and well-being of the Company or of any such other company as aforesaid or of its Members and payment towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.

#### **23.5 Directors' power to appoint attorney of the Company**

The Directors may from time to time by power of attorney under the Seal appoint any corporation, firm or person or body of persons, whether nominated directly or indirectly by the Board to be the attorney/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 any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretion vested in him.

#### **23.6 Director may hold office of profit under the Company**

A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any such other office or place of profit or as a vendor, purchaser or otherwise.

#### **23.7 As to the duty and liability of the Director**

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

#### **23.8 Declaration of interest by a Director**

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. Save as by the next following paragraph of this Clause otherwise provided, (a Director shall not vote in respect of any contract or arrangement in which he is directly or indirectly interested) and if he shall do so his vote shall not be counted, nor shall he be counted, for the purpose of any resolution regarding the same, in the quorum present at the meeting, but this Clause shall not apply to:-

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

- (c) any contract by him to subscribe for or underwrite share; or debentures of the Company; or
- (d) any contract or arrangement with any other company in which he is interested only as a director or other officer or creditor of or as a shareholder in or beneficially interested in the shares of the Company.

#### **23.9 Relaxation of restriction on voting**

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 executive office or other office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company or whereat the terms of any such appointment are considered, and he may vote on any such matter other than in respect of his own appointment or the arrangement of the terms thereof.

The provisions of this Clause may at any time be suspended or relaxed to any extent and either generally or in respect of any particular contract, arrangement or transaction, and any particular contract arrangement or transaction carried out in contravention of this Constitution may be ratified by Ordinary Resolution of the Company.

#### **23.10 Approval required for disposal of Company's undertaking or property by Directors**

Any acquisition or disposal by the Directors of the Company's undertaking or property shall be made in accordance with Section 223 of the Act.

### **24. PROCEEDINGS OF DIRECTORS**

#### **24.1 Third Schedule excluded**

The provisions contained in the Third Schedule to the Act shall not apply to the Company except in so far as the same are repeated or contained in this Constitution.

#### **24.2 Directors' meeting**

The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit and determine the quorum necessary for the transaction of business. Questions arising at any meeting shall be decided by a majority of votes. The Directors may also hold a meeting of Directors at two (2) or more venues within or outside Malaysia using any technology that enables the Directors as a whole to participate for the entire duration of the meeting; and that all information and documents for the meeting must be made available to all Directors prior to or at the meeting. Minutes of the proceedings of such meeting are sufficient evidence of the proceedings to which it relates.

#### **24.3 Director may call meeting of Board**

A Director may, and on the request of a Director the Secretary shall at any time summon a meeting of the Directors.

#### **24.4 Notice of meeting**

Unless otherwise determined by the Directors from time to time, at least seven (7) days' notice of all Directors' meetings shall be given to all Directors and their alternate, except in the case of emergency, reasonable notice shall be deemed sufficient. The notice shall include the date, time and place of the meeting and the matters to be discussed.

If the Board Meeting is to be held in two (2) or more places, the notice of the Board Meeting shall specify the technology that will be used to facilitate the Board Meeting.

The main venue of the Board Meeting shall be the place where the chairman is present at

the Board Meeting.

#### **24.5 Meetings of Directors by means of telephone conference, video conference, other Electronic Communication device, etc**

Subject to the laws for the time being in force, all or any Members of the Board or committee of the Directors may participate in the meeting of the Board or committee of the Directors (as the case may be) by means of a telephone conference, video conference or any other Electronic Communication device which allows all persons participating in the meeting to hear each other ("**Communication Equipment**"). A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote. For the purposes of recording attendance, the chairman or Secretary shall mark on the attendance sheet that the Directors were present and participating by Communication Equipment. Subject always that all provisions of this Constitution as to meetings of the Directors will apply to such meeting involving Communication Equipment and the following conditions must be fulfilled:-

- (a) All the Directors shall have received notice of a meeting in accordance with this Constitution;
- (b) At the commencement of the meeting each Director acknowledges his/her presence thereof to all the other Directors taking part;
- (c) Each of the Directors taking part is able to be heard and hear each of the other Directors throughout the meeting subject as hereinafter mentioned;
- (d) A Director will be conclusively presumed to have been present and to have formed part of the quorum throughout the meeting and may not leave by disconnecting the Communication Equipment unless he has obtained prior express consent from the chairman of the Meeting. In the event the Communication Equipment is disconnected, resulting in the number of Directors participating in the meeting to be less than the quorum, the meeting shall be adjourned, unless the Communication Equipment is reconnected and no decision was made by the Directors during the disconnection and the Director whose Communication Equipment is reconnected, is informed of any deliberation during the disconnection;
- (e) All information and documents are made equally available to all Directors prior to, at or during the meeting;
- (f) For avoidance of doubt, such a meeting shall be deemed to take place where the largest group of those participating is assembled, or if there is no such group, where the chairman of the meeting then is;
- (g) At the conclusion of meeting by loss of quorum, the validity of whatsoever business transacted, and all resolutions passed prior to the conclusion of such meeting shall not be affected;
- (h) Such a meeting shall not be deemed to have proceeded for such period or periods where the conference telephone, electronic or such other communications facilitates have been disconnected; and
- (i) The chairman of such meeting shall have the discretion to postpone the meeting which had been disconnected and which cannot be reconnected within a reasonable time, to another date and time to be agreed by the participants of the meeting.

#### **24.6 Quorum**

Unless otherwise determined, two (2) shall be a quorum provided however that in case the number of Directors is less than two (2), the quorum will consist of all Directors in which case, the chairman of the meeting shall not have a casting vote.

#### **24.7 Proceedings of meeting**

A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretion by or under this Constitution vested in or exercisable by the Directors generally. Subject to this Constitution, questions arising at any meeting of the Directors shall be decided by a majority of votes.

#### **24.8 Chairman's casting vote**

In case of an equality of votes, the chairman shall have a second or casting vote provided always that the chairman of a meeting at which only two (2) Directors are present or at which only two (2) Directors are competent to vote on the questions at issue shall not have a second or casting vote.

#### **24.9 Chairman**

The Directors may from time to time elect and remove a chairman and a deputy chairman from amongst themselves and they shall determine the period for which they are to hold office but if no chairman or deputy chairman is elected or if at any meeting of Directors the chairman or the deputy chairman (if any) is not present within fifteen (15) minutes after the time appointed for holding the same, the Directors present shall choose one (1) of their number to be chairman of such meeting.

### **25. COMMITTEES OF DIRECTORS**

#### **25.1 Directors may establish committees, etc**

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

The Company may pass a resolution of the committee either by way of a written resolution or at a meeting of the committee.

#### **25.2 Participation at committee meetings by way of telephone and video conferencing**

A committee may, whenever it thinks fit, convene a meeting of the committee and may adjourn the meeting as it thinks proper. The committee may hold a committee meeting at two (2) or more venues within or outside Malaysia using any technology that gives the committee members as a whole a reasonable opportunity to participate. Any member of a committee participates at a committee meeting by way of telephone and video conferencing or by means of other communication equipment whereby all persons participating in the meeting are able to hear each other and be heard for the entire duration of the meeting in which event such member shall be deemed to be present at the meeting. A member participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the members attending the meeting PROVIDED that at least one (1) of the members present at the meeting was at such place for the duration of that meeting. All information and documents must be made equally available to all participants prior to or at/during the meeting.

#### **25.3 Meetings of the committee**

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 have a second or casting vote.

**25.4 Chairman of the committee**

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 fifteen (15) minutes after the time appointed for holding of the meeting, the members present may choose one of their members to be the chairman of the meeting.

**25.5 Passing of resolution by committee's members by way of written resolution**

The Company may pass a resolution of the committee by way of a written resolution by the committee's members recording the resolution and signing the record. The record of decision made by the committee is valid and effective as if it were a resolution duly passed at a meeting of the committee. Such resolution may consist of several documents in like form, each signed by one or more of the committee's members, and shall be as valid and effectual as if it were a resolution duly passed at a meeting of the committee. Any such document may be accepted as sufficiently signed by a member of the committee if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the said member.

**26. VALIDATION OF ACTS OF DIRECTORS OR COMMITTEE**

All acts *bona fide* done by any meeting by 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 fully appointed and was qualified to be a Director.

**27. DIRECTORS' WRITTEN RESOLUTIONS**

**27.1 Circular resolution**

A written resolution signed and/or assented to by any means of Electronic Communication by a majority of the Directors entitled to receive notice or meeting of the Board, being not less than sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened; provided that where a Director is not so present but has an alternate who is so present, then such resolution shall also be signed by such alternate. All such resolutions shall be described as "Directors' Resolution in Writing" and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by him in the Company's Minutes Book. Any such resolution may consist of several documents in like form, each signed by one (1) or more Directors or their alternates.

The expressions "in writing" and "signed" include approval by legible confirmed transmission by facsimile or other forms of Electronic Communications.

**28. MINUTES AND REGISTERS**

**28.1 Minutes of meeting and resolutions**

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

- (a) of all appointments of officers to be engaged in the management of the Company's affairs;
- (b) of the names of all the Directors present at each meeting of the Directors and of any committees of the Directors and of the Company in a meeting of Members;
- (c) of all resolutions and proceedings of meetings of Members and of meetings of the Directors and committees of the Board; and
- (d) of all orders made by the Board and any committee of the Directors.

Such minutes shall be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.



**28.2 Directors to comply with Act**

The Company shall in accordance with the provisions of the Act keep at the Office a register containing such particulars with respect to the Directors and managers of the Company as are required by the Act and shall from time to time notify the Registrar of Companies of any change in such register and of the date of change in manner prescribed by the Act.

**28.3 Minute books in registered office**

The books containing the minutes of proceedings of any meetings of Members shall be kept by the Company at the Office and shall be open to the inspection of any Member without charge.

**28.4 Registers to be kept**

The Company shall also keep at the Office, registers which shall be open to the inspection of any Member without charge and to any other person on payment of not exceeding RM10.00 for each inspection, of all such matters required to be so registered under the Act, and in particular:-

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

**29. THE SECRETARY**

**29.1 Appointment of Secretary**

The Secretary shall be appointed by the Directors in accordance with the Act for such term, at such remuneration and upon such conditions as the Directors think fit and the Secretary so appointed may be removed by the Directors.

- (a) The Directors may if it deems fit appoint:-
  - (i) two (2) or more persons as joint secretaries; and/or
  - (ii) an assistant or deputy secretary,

The Directors may from time to time by resolution appoint a temporary substitute for any Secretary or Secretaries who shall be deemed to be the Secretary during the term of his appointment.

**29.2 Same person may not act as Director and Secretary simultaneously**

A provision of the Act or this Constitution requiring or authorising a thing to be done or to a Director and the Secretary shall not be satisfied by it being done by or to the same person acting both as Director and as, or in place of, the Secretary.

**30. SEAL**

**30.1 The Seal to be affixed by authority of resolution of Board and in the presence of one Director and Secretary**

The Directors shall provide for the safe custody of the Seal which shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors on that behalf, and every instrument to which the Seal and Share seal of the Company is affixed shall be signed by at least two (2) authorised officers, one (1) of whom shall be a Director and another counter-signatory shall be either the Secretary or a second Director or by some other person appointed by the Directors for the purpose, save and except that the Directors may by resolution determine, either generally or in any particular case, that

any such signature may be affixed by some mechanical means to be specified in such resolution, provided that the use of such means is by such resolution restricted to a certificate or other document of title in respect of any share, stock, debenture or other marketable security created or issued by the Company to be given under the Seal or Share seal of the Company. A document may also be executed in accordance with Section 66(2) of the Act and such execution shall have the same effect as if the document is executed under the Seal of the Company.

### **30.2 The Share seal**

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

### **30.3 Seal for use abroad**

The Company may exercise the powers conferred by Section 62 of the Act with regard to having an official Seal for use abroad and such powers shall be vested in the Directors.

## **31. DIVIDENDS AND RESERVE FUND**

### **31.1 Distribution**

Subject to the provisions of the Act, the Company may make a distribution of dividends to Members if the Company is solvent, but no dividend shall exceed the amount as authorised by the Directors.

### **31.2 Dividend paid out of profits available**

No dividend shall be paid other than out of profits of the Company available if the Company is solvent.

### **31.3 Directors may form reserve fund and invest**

The Directors may, before recommending any dividend, set aside, 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, or for the purchase of the Company's own shares, or for the gradual liquidation of any debt or liability 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 Members and Directors 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 as they may select with full power to employ the assets constituting the reserve fund in the business of the Company and without being bound to keep them separate from the other assets. The Directors may also from time to time carry forward such sums as may be deemed expedient in the interests of the Company.

### **31.4 Payment of dividend**

Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of call shall be treated for the purposes of this Clause as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date that share shall rank for dividend accordingly.

**31.5 Deduction of dividends**

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.

**31.6 Distribution of dividend in specie (specific assets)**

The Directors in authorising a distribution of dividends may direct payment of such dividend wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock of the Company or any other company or in any one or more of such ways and where any difficulty arises in regard to payment of such distribution or any part thereof, the Directors may 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 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.

**31.7 Unclaimed distributions**

All distributions unclaimed for more than one (1) year after having been made may be dealt with in accordance with the provisions of the Unclaimed Moneys Act 1965.

**31.8 Dividends due may be retained until registration**

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 herein before 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.

**31.9 Payment by cheque or telegraphic transfer or electronic transfer**

Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder who is named on the Register of Members or to such person and to such address as the holder may in writing direct or by way of telegraphic transfer or electronic transfer or remittance to such account as designated by such holder or the person entitled to such payment. Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall be made payable to the order of the person to whom it is sent and the payment of any such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall operate as a good and full discharge to the Company in respect of the payment represented thereby, notwithstanding that in the case of payment by cheque or warrant, it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall be sent at the risk of the person entitled to the money thereby represented.

**32. CAPITALISATION OF PROFITS AND RESERVES**

**32.1 Power to capitalise profits**

Subject to the Act and the Listing Requirements, the Company may, upon the recommendation of the Directors, by Ordinary Resolution resolve that it is desirable to capitalise any sum for the time being standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution, provided that such sum be not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend and accordingly that the Directors be authorised and directed to appropriate the sum resolved to be capitalised for distribution amongst the Members holding shares in the Company in the proportions 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 held by such Members respectively, or in paying up in full unissued shares or debentures of the Company to be allotted and distributed and credited as fully paid up to and amongst such Members in the proportion aforesaid or partly in one way and partly in the other and the Directors shall give effect to such resolution.

### **32.2 Power of applications of undivided profits**

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

## **33. ACCOUNTS TO BE KEPT AND FINANCIAL STATEMENTS**

### **33.1 Accounts open to inspection by Directors**

The Directors and managers of the Company shall cause to be kept the accounting and other records to sufficiently explain the transaction and financial position of the Company including its subsidiaries and enable a true and fair profit and loss accounts and balance sheet and any documents required to be attached thereto to be prepared in accordance with the Applicable Laws of Malaysia and shall distribute copies of balance sheets and other documents as required under the Applicable Laws of Malaysia.

The Board shall from time to time determine whether or not and to what extent and at what times and place and under what conditions or regulations the books of 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 a meeting of Members. Subject always to Sections 245(5) and (6) of the Act, the books of accounting and records of operations as aforesaid shall be kept at the Office or at such other place as the Directors thinks fit and shall always be open to inspection by the Directors.

### **33.2 Preparation and issuance of audited financial statements and Directors' report**

The Board shall cause to be prepared, sent to every Member and laid before the Company in its annual general meeting the audited financial statements and Directors' report in accordance with the Act. The interval between the close of a financial year of the Company and the issue of the audited financial statements, the Directors' and Auditors' reports shall not exceed four (4) months.

### **33.3 Circulating copies of audited financial statements and Directors' report**

A copy of each of the audited financial statements, the Directors' and Auditors' reports in printed form or in CD-ROM or other Electronic Form permitted under the Listing Requirements or any combination thereof shall, not less than twenty-one (21) days before the date of the annual general meeting be sent to every Member of and to every holder of debentures of the Company and to every other person who is entitled to receive notice of general meetings from the Company under the provisions of the Act or of this Constitution, in accordance with the provisions of the Act or of this Constitution, provided that this Clause shall not require a copy of these documents to be sent to any person of

whose address the Company is not aware 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 Office.

#### **34. AUDIT**

##### **34.1 Appointment of auditors**

The auditors shall be appointed for each financial year by Ordinary Resolution at the annual general meeting of the Company in accordance with Section 271 of the Act. No person may be appointed as auditors of the Company if he cannot consent to be appointed as auditors under Section 264(1) of the Act.

##### **34.2 Attendance of auditors at general meetings where financial statements are laid**

The auditors shall attend every annual general meeting where the financial statements of the Company are to be laid, so as to respond according to his knowledge and ability to any question relevant to the audit of the financial statements in accordance with Section 285 of the Act.

#### **35. LANGUAGE**

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

#### **36. DESTRUCTION OF DOCUMENTS**

##### **36.1 Company may destroy documents**

Subject to any Applicable Laws of Malaysia requiring the Company to keep and maintain company records, the Company shall be entitled to destroy:-

- (a) all instruments of transfer which shall have been registered at any time after a reasonable time from the date of registration thereof;
- (b) all share certificates and mandates as to the payment of distribution which have been cancelled or have ceased to have effect at any time after the expiration of one year from the date of cancellation or cessation thereof; and
- (c) all notifications of change of name or address after the expiration of one year from the date they were recorded; and in favour of the Company it shall conclusively be presumed that every entry in the register which purports to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every share certificate so destroyed was a valid certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company provided that:-
  - (i) the foregoing provisions of this Clause shall apply only to the destruction of a document in good faith and without express notice that the preservation of such document was relevant to a claim;
  - (ii) nothing contained in this Clause shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company but for the provisions of this Clause; and
  - (iii) reference in this Clause to the destruction of any document includes references to its disposal in any manner.

## **37. AUTHENTICATION OF DOCUMENTS**

### **37.1 Authentication of documents**

Any Director or the Secretary or any person, all of whom are approved by the Directors, shall have power to authenticate any documents affecting the Constitution of the Company and any resolution passed by the Company or the Directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts.

### **37.2 Conclusive evidence of resolutions and extract of minutes of meetings**

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

## **38. NOTICES OR DOCUMENTS**

### **38.1 Notice of annual general meeting, Meetings of Members and Meetings of Board and/or documents**

Notices of meetings of Members and of meetings of the Board and any other communication between the Company and the Members and/or its Directors, including matters relating to resolutions, supply of information or documents or otherwise whether for the purposes of complying with the Act, the Listing Requirements or otherwise may be:-

- (a) in hard copy;
- (b) in Electronic Form; or
- (c) partly in hard copy and partly in Electronic Form.

### **38.2 Communication in Hard Copy**

A communication in hard copy shall be valid if:

- (a) sent to the Company through post at the registered office;
- (b) served on the Member or Director personally, or, by sending it through post at the last known address; or
- (c) sent to the Company or Member or Director by facsimile; or
- (d) advertised in the daily press.

### **38.3 Communication in Electronic Form**

A communication in Electronic Form shall be valid if:-

- (a) sent to the Company at an Electronic Address provided for the purpose;
- (b) sent to the Member or Director by Electronic Communication at the last known Electronic Address provided;
- (c) served on a Member by means of publication on the Company's website provided that a notification of the publication of such item or material being communicated on the website has been given to the Members in hard copy and/or Electronic Form in accordance with the Act and the Listing Requirements; or
- (d) served in a Member using any other electronic platform maintained by the Company or third parties that can host the information in a secure manner for access by Members provided that a notification of the publication of such item material being communicated on the electronic platform has been given to the Members in hard copy and/or Electronic Form in accordance with the Act and the Listing Requirements.

**38.4 Communication partly in hard copy and partly in Electronic Form**

A communication partly in hard copy and partly in Electronic Form shall include the sending of any communication by any means while in Electronic Form. This shall include:-

- (a) the sending to the Company through post at the registered office; or
- (b) the service on the Member or Director either personally or through post at the last known address,

of any notice or communication contains in Electronic Form such as CD-ROM, USB drive or any other equipment or device used for the storage of data.

**38.5 Last known address**

The address (including Electronic Address):-

- (a) of a Member appearing in the Record of Depositors or Register of Members;
- (b) of a Director appearing in the Register of Directors; or
- (c) provided by the Member or the Director to the Company for purposes of communication with him,

shall be deemed as the last known address of the Member or Director for purposes of communication including but not limited to service of notices and/or documents to the Member or Director respectively.

**38.6 Communication by hard copy deemed served**

Any item or material being communicated by post shall be deemed to have been served by the Company to a Member on the day the prepaid letter, envelope or wrapper containing such item or material is posted.

In proving service by post, a letter from the Secretary certifying that the letter, envelope or wrapper containing the notice or document was addressed and posted to the Member shall be sufficient to prove that the letter, envelope or wrapper was so addressed and posted.

**38.7 Communication in Electronic Form deemed served**

A communication in Electronic Form sent to the Director or Member by Electronic Communication shall be deemed to be served upon transmission of the same to the Electronic Address of the addressee provided that the Company has record of the Electronic Communication being sent and does not receive an automated delivery failure notice after the communication has been transmitted.

**38.8 Communication by publication on website deemed served**

A communication by means of publication on a website shall be deemed to be served upon when the material was first made available on the website prescribed by the Company from time to time. For clarity, the Company shall separately and immediately notify the Member in writing (either by sending to the Member personally or through the post to his registered address, within Malaysia or using the Electronic Communications) such publication of notice or document on the website and state the designated website link or address where a copy of the notice or document may be downloaded.

**38.9 Communication via electronic platform maintained by the Company or third parties**

A communication via electronic platform maintained by the Company or third parties shall be deemed to be served on the date the item or material being communicated was first made available thereto provided that the notification of the publication or availability of the item or material being communicated on the relevant electronic platform has been given to the Members whether in hard copy and/or Electronic Form in accordance with the Act and the Listing Requirements.

### **38.10 Communication via electronic means**

Subject to compliance with the Act, the requirement of the Exchange and any other relevant authorities, if any, the Company may send notice of a general meeting, its annual report or any document required to be sent to its Securities Holders via electronic means by:-

- (a) publishing on a designated weblink, provided it notifies its Securities Holders separately in writing, which includes e-mailing in accordance with this Constitution, about the publication and designated weblink to download the notice of general meeting, annual report or document; or
- (b) e-mailing its Securities Holders.

The e-mail address of a Securities Holder as maintained by the Depository or as provided to the Company for the purpose of sending notice of a general meeting, annual report or any document required to be sent to its securities holders, if any, shall be deemed as the e-mail address for purposes of the aforesaid communication with the Securities Holder. In the event of a notification of e-mail delivery failure or in any other event at the Directors' discretion, the notice of a general meeting, annual report or any document required to be sent to the Company's Securities Holders may also be sent in electronic format such as CD-ROM, USB drive or any other portable electronic format whatsoever (whether available now or in the future) through which images, data, information or other material may be viewed whether electronically or digitally or however others and served in accordance with Clause 38.

Notwithstanding the aforesaid electronic means of communication, the Company shall –

- (a) give a printed hard copy of the notice of general meeting, annual report or document sent is forwarded to the Securities Holder requesting the same free of charge within four (4) market days from the date of receipt of the request, whether verbal or written;
- (b) designate a person to attend to Securities Holders' requests as stated in subparagraph (a) above;
- (c) designate person(s) to answer queries from Securities Holders relating to the use of the said electronic means; and
- (d) notify securities holders via the same electronic means of their rights to be given printed hard copies as stated in subparagraph (a) above and how Securities Holders may make such a request.

If a notice of general meeting, annual report or any document (other than a share certificate) is sent by the Company to its securities holders by electronic means, it is treated as being received by the intended recipient at the time it was sent. It can be proved conclusively that a notice of general meeting, annual report or any document was received by electronic means, by showing that the notice of general meeting, annual report or document was properly addressed. Subject to the Act, if a notice of general meeting, annual report or any document is sent or supplied by the Company by means of publishing on a designated weblink, it is treated as being received by the intended recipient when the notice of general meeting, annual report or document is first made available on the designated weblink or, when the recipient received (or is treated as having received) notice of the fact that the notice of general meeting, annual report or document is available on the website, whichever the later.

### **38.11 Notice in case of death or bankruptcy**

Any notice and/or document required to be sent to Members delivered or sent by post to or left at the last known address of any Member or advertised in accordance with Clause 39 shall, notwithstanding such Member be then deceased, and whether or not the Company have notice of his decease, be deemed to have been duly served in respect of any shares, and such service shall, for all purposes of these presents, be deemed a sufficient service of such notice or document on his heirs, executors or administrators.



### **38.12 Persons entitled to notice of meeting of Members**

Notice of every meeting of Members shall be given in any manner hereinbefore authorised to:-

- (a) every Member;
- (b) every person entitled to a share in consequences of the death or bankruptcy of a Member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting;
- (c) the auditors of the Company; and
- (d) the Directors.

Any notice issued on behalf of the Company or of the Board shall be deemed effectual if it purports to bear the signature of the Secretary or other duly authorised officer of the Company.

## **39. WINDING UP**

### **39.1 Distribution of assets in specie**

If the Company is wound up (whether the liquidation is voluntary, under supervision, or by the court), the liquidator may after the payment or satisfaction of all liabilities of the Company including preferred payments under the Act, with the sanction of a Special Resolution of the Company, divide among the Members in specie or in kind the whole or any part of the assets of the Company (whether they consists of property of the same kind or not) and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

### **39.2 Liquidator's commission**

In the event of there being a sale of all or any of the Company's assets on a voluntary liquidation of the Company, no commission or fee or other remuneration shall be payable to any Director or liquidator unless it shall have been approved by shareholders by resolution at an extraordinary general meeting. Specific notice of any such proposed payment and the amount thereof shall be given to the shareholders in the notice convening the meeting at which such proposed payment is to be considered and such notice shall be given not less than seven (7) days before the meeting is to be held.

## **40. SECRECY CLAUSE**

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.

## **41. INDEMNITY**

Subject to the Applicable Laws of Malaysia, every Director, auditor, Secretary or other officers (as defined in the Act) for the time being shall be entitled to be indemnified out of the assets of the Company against any liability incurred or sustained by him in or about the execution of his duties of his office or otherwise in relation thereto, and the Company may effect insurance for such persons against such liability.

## **42. RECONSTRUCTION**

On the sale of the undertaking of the Company, the Directors or the liquidators on a winding up may, if authorised by a Special Resolution, accept fully paid or partly paid shares, debentures or securities of any other company, either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Directors (if the profits of the Company permit), or the liquidators (on a winding up), may distribute such shares or securities, or any property of the Company amongst the Members without realisation, or vest the same in trust for them and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the Members or contributories of the Company, and for valuation of any such securities or property at such price and in such manner as the meeting may approve, and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in the case of the Company which is proposed to be or is in the course of being wound up, such statutory rights (if any) under Section 475 of the Act as are incapable of being varied or excluded by this Constitution.

## **43. INFORMATION ON SHAREHOLDING**

### **43.1 Company may require any information of a Member**

The Company may by notice in writing require any Member within such reasonable time as is specified in the notice:-

- (a) to inform the Company whether he holds any voting shares in the Company as beneficial owner or as trustee; and
- (b) if he holds them as trustee, 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.

### **43.2 Company may require any information of beneficial interest**

Where the Company is informed in pursuance of a notice given to any person under Clause 43.1 hereof or this Clause that any other person has an interest in any of the voting shares in the Company, the Company may by notice in writing require that other person within such reasonable time as is specified in the notice:-

- (c) to inform the Company whether he holds that interest as beneficial owner or as trustee; and
- (d) if he holds the interest as trustee, to indicate so far as he can the persons for whom he holds such interest by name and by other particulars sufficient to enable them to be identified and the nature of their interest.

### **43.3 Member to inform Company**

The Company may by notice in writing require a Member to inform the Company, within such reasonable time as is specified in the notice, whether any of the voting rights carried by any voting shares in the Company held by him are the subject of an agreement or arrangement under which another person is entitled to control his exercise of those rights and, if so, to give particulars of the agreement or arrangement and the parties to such agreement or arrangement.

## **44. ALTERATIONS OF CONSTITUTION**

Company may alter or amend Constitution.

Subject to this Constitution, no amendment whether by way of rescission, alteration or addition shall be made to this Constitution unless the same has been passed by a Special Resolution.

**45. EFFECT OF LISTING REQUIREMENTS**

Notwithstanding anything contained in this Constitution:-

- (a) If the Listing Requirements prohibit an act being done, the act shall not be done. Nothing contained in this Constitution prevents an act being done that the Listing Requirements require to be done.
- (b) 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).
- (c) If the Listing Requirements require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision.
- (d) If the Listing Requirements require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision.
- (e) 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 the inconsistency.

**46. THE ACT, CENTRAL DEPOSITORIES ACT AND THE RULES**

**46.1 Compliance with the Act, Central Depositories Act and the Rules**

Notwithstanding this Constitution, the Company shall comply with the Act, Central Depositories Act and the Rules in respect of all matters relating to Securities or otherwise where applicable.

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