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HeveaBoard

HeveaBoard Berhad

(Company No. 275512-A)
(Incorporated in Malaysia)

PART A

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY

PART B

SHARE BUY-BACK STATEMENT

IN RELATION TO

PROPOSED RENEWAL OF AUTHORITY FOR PURCHASE OF OWN SHARES BY HEVEABOARD BERHAD

The above proposals will be tabled as Special Business at the Twenty-Fifth Annual General Meeting ("AGM") of the Company to be held at The Royale Chulan Seremban, Ampangan Room, Mezzanine Floor, Jalan Dato' A.S. Dawood, 70100 Seremban, Negeri Sembilan on Monday, 10 June 2019 at 10.00 a.m. The Notice of the AGM together with the Form of Proxy are set out in the Annual Report 2018 of the Company which is despatched together with this Circular/Statement.

The Form of Proxy must be completed and lodged at the Registered Office of the Company at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, not later than forty-eight (48) hours before the time stipulated for convening the AGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting if you are subsequently able to do so.

IMPORTANT DATES:

Last date and time for lodgement of Form of Proxy	:	Saturday, 8 June 2019 at 10.00 a.m.
Date and time of the AGM	:	Monday, 10 June 2019 at 10.00 a.m.

DEFINITION

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

“Act”	: The Companies Act, 2016, as amended from time to time and any re-enactment thereof
“AGM”	: Annual General Meeting
“Board”	: Board of Directors of HeveaBoard
“Bursa Securities”	: Bursa Malaysia Securities Berhad (635998-W)
“Code”	: The Malaysian Code on Take-Overs and Mergers, 2016, as amended from time to time and any re-enactment thereof
“Directors”	: Directors of HeveaBoard
“EPS”	: Earnings Per Share
“HeveaBoard” or “the Company”	: HeveaBoard Berhad (275512-A)
“HeveaBoard Shares” or “Shares”	: Ordinary shares in HeveaBoard
“Listing Requirements”	: The Main Market Listing Requirements of Bursa Securities including any amendment that may be made from time to time
“Market Day”	: A day on which the stock market of the Exchange is open for trading in securities
“NA”	: Net assets
“Purchased Shares”	: HeveaBoard Shares to be purchased pursuant to the Proposed Renewal of Authority
“Prevailing Laws”	: Any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities including but not limited to the Listing Requirements
“Proposed Renewal of Authority”	: Proposed renewal of authority for the Company to purchase its own ordinary shares of up to ten per centum (10%) of the total number of issued shares of the Company
“RM” and “sen”	: Ringgit Malaysia and sen respectively
“Shareholder(s)”	: Shareholder of HeveaBoard
“SC”	: Securities Commission Malaysia
“Substantial Shareholder”	: A person who has an interest or interests in one or more voting Shares in the Company and the number of that Share, or aggregate number of those shares, is not less than five per centum (5%) of the aggregate number of all the voting Shares in the Company

“Treasury Shares” : HeveaBoard Shares purchased by the Company which shall be retained in treasury as defined under Section 127 of the Act.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the 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 in this Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Statement shall be a reference to Malaysian time, unless otherwise specified.

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PART A

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY

HeveaBoard Berhad

(Company No. 275512-A)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:
Level 2, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur.

30 April 2019

Board of Directors

Sundra Moorthi A/L V.M. Krishnasamy (*Independent Non-Executive Chairman*)
Yoong Hau Chun (*Group Managing Director*)
Yoong Li Yen (*Executive Director*)
Lim Kah Poon (*Independent Non-Executive Director*)
Bailey Policarpio (*Non-Independent Non-Executive Director*)
Yoong Yan Pin (*Independent Non-Executive Director*)
Thye Heng Ong @ Teh Heng Ong (*Independent Non-Executive Director*)
Loo Chin Meng (*Non-Independent Non-Executive Director*)
Yoong Tein Seng @ Yong Kian Seng (*Alternate Director to Yoong Hau Chun*)

To: The Shareholders of HeveaBoard Berhad

Dear Sir/Madam,

PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY (“Proposed Adoption of New Constitution”)

1. INTRODUCTION

On 26 March 2019, the Board announced that the Company proposed to seek the approval of its shareholders for the Proposed Adoption of New Constitution at the forthcoming Twenty-Fifth AGM of the Company.

This Circular serves to provide you with the relevant information on the Proposed Adoption of New Constitution, sets out the views and recommendations of the Board and to seek your approval for the Special Resolution to be tabled at the Twenty-Fifth AGM of the Company.

2. DETAILS OF THE PROPOSED ADOPTION OF NEW CONSTITUTION

2.1 Background

The Board of Directors of the Company (“the Board”) proposed that the Company revokes its existing Memorandum and Articles of Association in its entirety with immediate effect and in place thereof, adopt a new Constitution.

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

2.2 Rationale

The Proposed Adoption of New Constitution is primarily to bring the existing Memorandum and Articles of Association to be in line with:-

- (i) the Companies Act, 2016 which come into force on 31 January 2017; and

- (ii) the amendments to the Listing Requirements and the prevailing statutory and regulatory requirements applicable to the Company.

The Proposed Adoption of New Constitution is also undertaken to render greater clarity and consistency throughout as well as to enhance administrative efficiency. Instead of amending the existing Memorandum and Articles of Association which involve a substantial amount of amendments, the Board proposed that the existing Memorandum and Articles of Association be deleted in its entirety by replacement thereof with a new Constitution.

2.3 Effects

The Proposed Adoption of New Constitution is administrative in nature and therefore, will not have any effect on the issued share capital and shareholding structure of the Company. It will not have any impact on the consolidated Net Assets and Earnings Per Share of the Company.

3. APPROVAL REQUIRED

The Proposed Adoption of New Constitution is subject to the approval being obtained from the shareholders of the Company at the forthcoming Twenty-Fifth AGM.

4. DIRECTORS', MAJOR SHAREHOLDERS' AND PERSONS CONNECTED WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS' INTERESTS

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

5. DIRECTORS' RECOMMENDATION

The Board is of the opinion that the Proposed Adoption of New Constitution is in the best interest of the Company and its shareholders. The Board recommends that you vote in favour of the resolution approving the Proposed Adoption of New Constitution to be tabled at the forthcoming Twenty-Fifth AGM.

6. TWENTY-FIFTH AGM

The Twenty-Fifth AGM, notice of which is enclosed in the Annual Report 2018, will be held at The Royale Chulan Seremban, Ampangan Room, Mezzanine Floor, Jalan Dato' A.S. Dawood, 70100 Seremban, Negeri Sembilan on Monday, 10 June 2019 at 10.00 a.m. for the purpose of considering and if thought fit, inter-alia, passing the Special Resolution pertaining to the Proposed Adoption of New Constitution.

If you are unable to attend and vote in person at the Twenty-Fifth AGM, you are requested to complete, sign and return the Form of Proxy enclosed in the Annual Report 2018 in accordance with the instructions therein, so as to arrive at the Registered Office of the Company not later than forty-eight (48) hours before the time set for the Twenty-Fifth AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

7. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board
Sundra Moorthi A/L V.M. Krishnasamy
Independent Non-Executive Chairman

PART B
SHARE BUY-BACK STATEMENT
IN RELATION TO
PROPOSED RENEWAL OF AUTHORITY FOR PURCHASE OF OWN SHARES
BY HEVEABOARD BERHAD

HeveaBoard Berhad

(Company No. 275512-A)
(Incorporated in Malaysia under the Companies Act, 1965)

**PROPOSED RENEWAL OF AUTHORITY FOR PURCHASE OF OWN SHARES
BY HEVEABOARD BERHAD (“Proposed Renewal of Authority”)**

1. INTRODUCTION

On 26 March 2019, the Board announced that the Company proposed to seek the approval of its shareholders for the Proposed Renewal of Authority at the forthcoming Twenty-Fifth AGM of the Company.

The purpose of this Statement is to provide you with the relevant details of the Proposed Renewal of Authority to be tabled at the forthcoming AGM, which will be held at The Royale Chulan Seremban, Ampangan Room, Mezzanine Floor, Jalan Dato’ A.S. Dawood, 70100 Seremban, Negeri Sembilan on Monday, 10 June 2019 at 10.00 a.m.

2. DETAILS OF THE PROPOSED RENEWAL OF AUTHORITY

The Board had, during the Company’s AGM held on 30 May 2018 obtained the approval of its shareholders to purchase up to ten per centum (10%) of the Company’s total number of issued shares as at the point of purchase. In accordance with the Listing Requirements governing the purchase of own shares by a listed company, the aforesaid approval will continue in force until the conclusion of the Company’s forthcoming AGM which will be held on 10 June 2019.

In view of the above, the Board proposes to seek your approval for the Proposed Renewal of Authority. The Proposed Renewal of Authority shall be effective upon the passing of the ordinary resolution in the forthcoming AGM until:-

- i. the conclusion of the next AGM of the Company following the AGM at which the ordinary resolution for the Proposed Renewal of Authority was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- ii. the expiration of the period within which the next AGM of the Company is required by the Prevailing Laws to be held; or
- iii. revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting of the Company,

whichever occurs first.

The shareholders’ approval for the Proposed Renewal of Authority does not impose an obligation on the Company to purchase its own Shares. However, it will further allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period.

The maximum aggregate number of shares, which may be purchased by the Company and/or hold as Treasury Shares shall not exceed ten per centum (10%) of the total number of issued shares of the Company at the point of purchase.

The actual number of shares to be purchased will depend on market conditions and sentiments as well as the retained profits and financial resources available to the Company at the time of the purchase(s).

As at 1 April 2019, the total number of issued shares of HeveaBoard was 560,634,727 HeveaBoard Shares and the total number of shares bought back by HeveaBoard and retained as Treasury Shares was 1,275,000 HeveaBoard Shares. Thus, as an illustration, the maximum number of HeveaBoard Shares which may be purchased by the Company pursuant to the Proposed Renewal of Authority will be not more than 54,788,473 HeveaBoard Shares based on the total number of issued shares of the Company as at 1 April 2019.

In addition, as at 1 April 2019, there are 7,791,937 outstanding 2010/2020 warrants B ("Outstanding Warrants") that the warrantholders are entitled the rights to subscribe for 7,791,937 new HeveaBoard Shares.

Based on the assumption that all the Outstanding Warrants are exercised and converted into new HeveaBoard Shares, the total number of issued shares of HeveaBoard would be enlarged to 568,426,664 HeveaBoard Shares (including Treasury Shares of 1,275,000 Shares). The Proposed Renewal of Authority will enable HeveaBoard to purchase up to a maximum of 55,567,666 HeveaBoard Shares based on the enlarged total number of issued shares.

3. RATIONALE FOR THE PROPOSED RENEWAL OF AUTHORITY

The implementation of the Proposed Renewal of Authority is envisaged to benefit the Company and its shareholders as follows:-

- i. the Company is able to utilise its surplus financial resources more efficiently. If implemented, this may help to stabilise the supply and demand of the HeveaBoard Shares traded on Bursa Securities and thereby support its fundamental value.
- ii. the EPS of HeveaBoard and the return on equity of the Company is expected to improve as a result of a reduced share capital base.
- iii. the Purchased Shares retained as Treasury Shares provide the Board with an option to resell the Treasury Shares at a higher price and generate capital gains for the Company.
- iv. the Purchased Shares retained as Treasury Shares can be distributed as share dividend to our shareholders as a reward.

4. FUNDING

Based on the latest audited financial statements of the Company for the financial year ended 31 December 2018, the retained profits of the Company stood at RM133.694 million.

The funding for the Proposed Renewal of Authority will be from internally generated funds and/or borrowings. The actual amount of borrowings will depend on the financial resources available at the time of the Proposed Renewal of Authority. The Proposed Renewal of Authority will reduce the cash of the Company by an amount equivalent to the purchase price of HeveaBoard Shares and the actual number of HeveaBoard Shares bought back. There is no restriction on the type of funds which may be utilised for the Proposed Renewal of Authority so long as it is backed by an equivalent amount of the retained profits of the Company.

The maximum amount of funds to be allocated by the Company for the Proposed Renewal of Authority shall not exceed the retained profits of the Company.

In the event that the Company decides to utilise external borrowings to finance the Proposed Renewal of Authority, there will be a decline in its net cash flow to the extent of the interest cost associated with such borrowings but the Board does not foresee any difficulty in the servicing of interest and repayment of borrowings used for the Proposed Renewal of Authority, if any.

5. SUBSTANTIAL SHAREHOLDERS' AND DIRECTORS' SHAREHOLDINGS AND/OR PERSONS CONNECTED TO THEM

The table below illustrates the direct and indirect interests of the Directors and Substantial Shareholders of HeveaBoard as at 1 April 2019, being the latest practicable date prior to the printing of this Statement assuming that:-

- (a) : HeveaBoard purchases 56,063,473 Shares representing approximately ten per centum (10%) of the Company's total number of issued shares as at that date, from parties other than the Company's Directors and Substantial Shareholders; and
- (b) : HeveaBoard purchases 56,842,666 Shares, representing approximately ten per centum (10%) of the Company's proforma enlarged total number of issued shares (assuming the full exercise of all Outstanding Warrants), from parties other than the Company's Directors and Substantial Shareholders.

Effects of the Proposed Renewal of Authority on Substantial Shareholders' and Directors' Shareholdings

Minimum Scenario - Assuming that none of the Outstanding Warrants is exercised and converted into new HeveaBoard Shares during the implementation of the Proposed Renewal of Authority.

	Shareholding as at 1 April 2019				Shareholding after the Proposed Renewal of Authority			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	* %	No. of Shares	* %	No. of Shares	* %	No. of Shares	* %
Substantial Shareholders								
HeveaWood Industries Sdn. Bhd.	116,740,290	20.870	3,849,600	0.688	116,740,290	23.137	3,849,600	0.763
Firama Holdings Sdn. Bhd.	30,294,785	5.416	135,021,890	24.139	30,294,785	6.004	135,021,890	26.760
Tenson Holdings Sdn. Bhd.	16,231,652	2.902	165,316,675	29.555	16,231,652	3.217	165,316,675	32.764
Mah Fah Victor Group Sdn. Bhd.	-	0.000	165,316,675	29.555	-	0.000	165,316,675	32.764
Employees Provident Fund Board	28,445,700	5.085	-	0.000	28,445,700	5.638	-	0.000
Yoong Hau Chun	762,800	0.136	184,877,527	33.052	762,800	0.151	184,877,527	36.641
Yoong Li Yen	1,639,200	0.293	182,661,127	32.655	1,639,200	0.325	182,661,127	36.201
Yoong Tein Seng @ Yong Kian Seng	250,000	0.045	194,856,327	34.836	250,000	0.050	194,856,327	38.618
Dato' Loo Swee Chew	4,292,000	0.767	120,959,890	21.625	4,292,000	0.851	120,959,890	23.973
Liang Chong Wai	10,400	0.0019	120,589,890	21.559	10,400	0.0021	120,589,890	23.899
Directors								
Sundra Moorthi A/L V.M. Krishnasamy	-	0.000	-	0.000	-	0.000	-	0.000
Yoong Hau Chun	762,800	0.136	184,877,527	33.052	762,800	0.151	184,877,527	36.641
Yoong Li Yen	1,639,200	0.293	182,661,127	32.655	1,639,200	0.325	182,661,127	36.201
Lim Kah Poon	200,000	0.036	84,000	0.015	200,000	0.040	84,000	0.017
Bailey Policarpio	100,000	0.018	1,639,200	0.293	100,000	0.020	1,639,200	0.325
Yoong Yan Pin	-	0.000	-	0.000	-	0.000	-	0.000
Thye Heng Ong @ Teh Heng Ong	-	0.000	-	0.000	-	0.000	-	0.000
Loo Chin Meng	370,000	0.066	4,292,000	0.767	370,000	0.073	4,292,000	0.851
Yoong Tein Seng @ Yong Kian Seng (Alternate Director to Yoong Hau Chun)	250,000	0.045	194,856,327	34.836	250,000	0.050	194,856,327	38.618

Note: * Excluding a total of 1,275,000 Treasury Shares.

Maximum Scenario - Assuming that all the Outstanding Warrants are exercised and converted into new HeveaBoard Shares during the implementation of the Proposed Renewal of Authority.

	Shareholding as at 1 April 2019				I After full exercise of warrants 2010/2020				II After (I) and Proposed Renewal of Authority			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	* %	No. of Shares	* %	No. of Shares	* %	No. of Shares	* %	No. of Shares	%	No. of Shares	%
Substantial Shareholders												
HeveaWood Industries Sdn. Bhd.	116,740,290	20.870	3,849,600	0.688	116,740,290	20.584	4,049,600	0.714	116,740,290	22.819	4,049,600	0.792
Firama Holdings Sdn. Bhd.	30,294,785	5.416	135,021,890	24.139	30,294,785	5.342	135,221,890	23.842	30,294,785	5.922	135,221,890	26.432
Tenson Holdings Sdn. Bhd.	16,231,652	2.902	165,316,675	29.555	16,231,652	2.862	165,516,675	29.184	16,231,652	3.173	165,516,675	32.354
Mah Fah Victor Group Sdn. Bhd.	-	0.000	165,316,675	29.555	-	0.000	165,516,675	29.184	-	0.000	165,516,675	32.354
Employees Provident Fund Board	28,445,700	5.085	-	0.000	28,445,700	5.016	-	0.000	28,445,700	5.560	-	0.000
Yoong Hau Chun	762,800	0.136	184,877,527	33.052	1,403,850	0.248	185,124,191	32.641	1,403,850	0.274	185,124,191	36.186
Yoong Li Yen	1,639,200	0.293	182,661,127	32.655	1,672,532	0.295	183,528,841	32.360	1,672,532	0.327	183,528,841	35.875
Yoong Tein Seng @ Yong Kian Seng	250,000	0.045	194,856,327	34.836	250,000	0.044	195,730,837	34.511	250,000	0.049	195,730,837	38.260
Dato' Loo Swee Chew	4,292,000	0.767	120,959,890	21.625	4,292,000	0.757	121,159,890	21.363	4,292,000	0.839	121,159,890	23.683
Liang Chong Wai	10,400	0.0019	120,589,890	21.559	10,400	0.0018	120,789,890	21.298	10,400	0.0020	120,789,890	23.611
Directors												
Sundra Moorthi A/L V.M. Krishnasamy	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Yoong Hau Chun	762,800	0.136	184,877,527	33.052	1,403,850	0.248	185,124,191	32.641	1,403,850	0.274	185,124,191	36.186
Yoong Li Yen	1,639,200	0.293	182,661,127	32.655	1,672,532	0.295	183,528,841	32.360	1,672,532	0.327	183,528,841	35.875
Lim Kah Poon	200,000	0.036	84,000	0.0150	200,000	0.035	84,000	0.0148	200,000	0.039	84,000	0.0164
Bailey Policarpio	100,000	0.018	1,639,200	0.293	126,664	0.0223	1,672,532	0.295	126,664	0.025	1,672,532	0.327
Yoong Yan Pin	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Thye Heng Ong @ Teh Heng Ong	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Loo Chin Meng	370,000	0.066	4,292,000	0.767	370,000	0.065	4,292,000	0.757	370,000	0.072	4,292,000	0.839
Yoong Tein Seng @ Yong Kian Seng (Alternate Director to Yoong Hau Chun)	250,000	0.045	194,856,327	34.836	250,000	0.044	195,730,837	34.511	250,000	0.049	195,730,837	38.260

Note: * Excluding a total of 1,275,000 Treasury Shares.

6. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF AUTHORITY

6.1 Potential Advantages

The potential advantages of the Proposed Renewal of Authority are as follows:-

- (a) The Proposed Renewal of Authority would enable the Company to utilise its financial resources more efficiently especially where there is no immediate use. If the HeveaBoard Shares purchased are subsequently cancelled, this may strengthen the consolidated EPS of the Group as indicated above.
- (b) The Proposed Renewal of Authority will also provide the Company with opportunities for potential gains if the Purchased HeveaBoard Shares which are retained as Treasury Shares are resold at prices higher than their cost of purchase.
- (c) In any event, the Treasury Shares may also be distributed as share dividends to the shareholders as a reward.

6.2 Potential Disadvantages

The potential disadvantages of the Proposed Renewal of Authority are as follows:-

- (a) The Proposed Renewal of Authority if implemented, is expected to temporarily reduce the immediate financial resources of the HeveaBoard Group. However, the financial resources of the Group may recover or even increase if the Purchased HeveaBoard Shares are held as Treasury Shares and resold in the market at the same or higher prices.
- (b) The Proposed Renewal of Authority may also result in the Group foregoing better investment opportunities which may emerge in the future and/or any income that may be derived from other alternative uses of such funds such as deposit in interest bearing instruments.

Nevertheless, the Proposed Renewal of Authority is not expected to have any potential material disadvantage to the Company and our shareholders, as it will be implemented only after careful consideration of the financial resources of the Group and its resultant impact. The Board is mindful of the interest of the Company and our shareholders and will be prudent in respect to the above exercise.

7. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF AUTHORITY

The financial effects of the Proposed Renewal of Authority are illustrated below based on the following assumptions:-

- (i) the purchase of own shares of up to ten per centum (10%) of the total number of issued shares of HeveaBoard is carried out in full; and
- (ii) HeveaBoard Shares so purchased are retained as Treasury Shares.

7.1 Share Capital

For illustration purposes only, the scenario below shows the movement of the share capital of the Company as at 1 April 2019 upon the implementation of the Proposed Renewal of Authority, assuming that ten per centum (10%) of the Company's total number of issued shares are purchased and cancelled.

		Minimum Scenario	Maximum Scenario
		No. of shares	No. of shares
As at 1 April 2019		560,634,727	560,634,727
Upon full exercise of all Outstanding Warrants		-	7,791,937
Enlarged total number of issued shares	(A)	560,634,727	568,426,664
10% of enlarged total number of issued shares		56,063,473	56,842,666
Less: existing Treasury Shares	(B)	1,275,000	1,275,000
Proposed Renewal of Authority (maximum shares that may be purchased)	(C)	54,788,473	55,567,666
 *Resultant share capital (A)-(B)-(C)		 504,571,254	 511,583,998

*Note: *assuming that all the Purchased Shares and Treasury Shares are fully cancelled.*

However, the Proposed Renewal of Authority will have no effect on the share capital and total number of issued shares of the Company, if all the Purchased Shares are to be retained as Treasury Shares, resold or distributed as dividends to the shareholders.

7.2 NA

When the Company purchases its own Shares, regardless of whether they are retained as Treasury Shares or subsequently cancelled, the NA per Share of the HeveaBoard Group will decrease if the cost per Share purchased exceeds the NA per Share of the HeveaBoard Group at the relevant point in time. However, if the cost per Share purchased is below the NA per Share of the HeveaBoard Group at the relevant point in time, the NA per Share of the HeveaBoard Group will increase.

In the case where the Purchased Shares are treated as Treasury Shares and subsequently resold on Bursa Securities, the NA per Share of the HeveaBoard Group upon the resale will increase if the Company realises a gain from the resale, and vice-versa. If the Treasury Shares are distributed as share dividends, the NA of the HeveaBoard Group will decrease by the cost of the Treasury Shares at the point of purchase.

7.3 Working Capital

The Proposed Renewal of Authority, as and when implemented, will reduce the working capital and cashflow of the HeveaBoard Group, the quantum of which depends on, amongst others, the number of Shares purchased and the purchase price(s) of the Shares.

For Shares so purchased which are kept as Treasury Shares, upon their resale, the working capital and the cashflow of the HeveaBoard Group will increase upon the receipt of the proceeds of the resale. The quantum of the increase in the working capital and cashflow will depend on the actual selling price(s) of the Treasury Shares and the number of Treasury Shares resold.

7.4 Earnings

The Proposed Renewal of Authority may contribute positively to the earnings and EPS of the HeveaBoard Group. The actual effect is dependent on the purchase price(s) of the Shares, the number of Shares purchased, and the effective funding cost or loss in interest income to the Company, or the opportunity cost in relation to other investment opportunities.

7.5 Dividends

The Proposed Renewal of Authority is not expected to have any material effect on the dividends to be declared by the Company, if any, for the financial year ending 31 December 2018. The level of dividends to be declared in the future would be determined by the Board after taking into consideration the performance of the Group and the prevailing economic conditions.

8. IMPLICATION OF THE PROPOSED RENEWAL OF AUTHORITY IN RELATION TO THE CODE

Pursuant to the Code, a person, and any person(s) acting in concert with him ("Offeror"), will be required to make a mandatory general offer for the remaining Shares of the Company not already owned by him if his stake in the Company is increased beyond thirty three per centum (33%) but less than fifty per centum (50%) of the voting shares of the Company and has or intend to increase his shareholdings by two per centum (2%) or more in any six (6)-month period. However, the Offeror may seek a waiver under the Code from the Securities Commission subject to certain conditions of the Code.

Based on the shareholdings of the Substantial Shareholders of the Company as at [] April 2019 and assuming the purchase of HeveaBoard's own Shares is carried out in full, the share buy-back exercise under the minimum scenario and the maximum scenario will trigger the implication on the Code, and the Substantial Shareholders will be obliged to extend a mandatory general offer. However, the Substantial Shareholders have represented that they have no intention of triggering the obligation to undertake a mandatory general offer. Hence, HeveaBoard will closely monitor their shareholdings prior to any share buy-backs to ensure that the obligation of the Substantial Shareholders of HeveaBoard pursuant to the provisions of the Code is not triggered.

9. RANKING AND TREATMENT OF PURCHASED SHARES

The Purchased Shares will be dealt with by the Board in accordance with Section 127 of the Act, in the following manner:-

- (a) cancel the HeveaBoard Shares so purchased; or
- (b) retain the HeveaBoard Shares so purchased as Treasury Shares; or
- (c) retain part of the HeveaBoard Shares so purchased as Treasury Shares and cancel the remainder; or
- (d) distribute the Treasury Shares as dividends to shareholders; or
- (e) resell the Treasury Shares, or any of the Treasury Shares in accordance with the relevant rules of the stock exchange; or
- (f) transfer the shares, or any of the Treasury Shares for the purposes of under an employees' share scheme; or
- (g) transfer the Treasury Shares, or any of the Treasury Shares as purchase consideration; or
- (h) cancel the Treasury Shares, or any of the Treasury Shares; or
- (i) sell, transfer or otherwise use the Treasury Shares for such other purpose as the Minister may by order prescribe.

The Company must immediately announce to the Exchange on any purchase and /or cancel of its own shares; resale or transfer of its Treasury Shares; or cancellation of its Treasury Shares pursuant to Section 127 of the Act.

While the Purchased Shares are held as Treasury Shares, the rights attached to them in relation to voting, dividends and participation in other distribution and otherwise are suspended, and the Purchased Shares shall not be taken into account in calculating the number or percentage of shares or a class of shares in the Company for any purposes including, without limiting the generality of this provision, the provisions of any law or requirements of the Articles of Association (Constitution) of the Company or the Listing Requirements of a Stock Exchange on substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on a resolution at meetings of the shareholders.

10. PREVIOUS PURCHASES, RESALE, TRANSFER AND CANCELLATION OF SHARES

The details of the purchase of Shares made by the Company in the preceding twelve (12) months up to the latest practicable date prior to the printing of this Statement ("the Period") are as follows:-

	No. of Shares purchased	Highest price paid RM	Lowest price paid RM	Average price paid RM	Total amount paid RM
2018					
April	-	-	-	-	-
May	-	-	-	-	-
June	-	-	-	-	-
July	-	-	-	-	-
August					
▪ 29/8/2018	1,000	0.840	0.840	0.840	840.00
September	-	-	-	-	-
October	-	-	-	-	-
November					
December					
2019					
January					
February					
March					
▪ 5/3/2019	1,000	0.635	0.635	0.635	635.00
Total	2,000	0.840	0.635	0.738	1,475.00

The share buy-back transactions during the Period were financed by internally generated funds. There was no resale of the Purchased Shares or cancellation thereof has occurred during the same period. All the Shares purchased during the Period were retained as Treasury Shares. There was also no resale or transfer or cancellation of the Treasury Shares made in the Period.

11. HISTORICAL SHARE PRICES

The monthly highest and lowest prices at which HeveaBoard Shares were traded on the Exchange in the preceding twelve (12) months up to the latest practicable date prior to the printing of this Statement are as follows:

	Highest price (RM)	Lowest price (RM)
2018		
April	0.875	0.685
May	1.060	0.760
June	0.845	0.745
July	0.915	0.765
August	0.965	0.810
September	0.925	0.820
October	0.900	0.750
November	0.855	0.690
December	0.715	0.525
2019		
January	0.695	0.570
February	0.665	0.590
March	0.680	0.600

The last transacted market price on 1 April 2019 : RM0.635 (Source: Investing.com)

12. PUBLIC SHAREHOLDING SPREAD

Further to the above, the Board is mindful of the requirement that the Proposed Renewal of Authority must not result in the number of HeveaBoard Shares which are in the hands of the public falling below twenty five per centum (25%) of the total number of issued shares of HeveaBoard.

As at 1 April 2019, the public shareholding spread of the Company was sixty four point seven four per centum (64.74%) of its total number of issued shares (excluding treasury shares). The public shareholdings spread of the Company is expected to be reduced to sixty one point two seven per centum (61.27%) assuming the Proposed Renewal of Authority is implemented in full i.e. up to ten per centum (10%) of the total number of issued shares of the Company as at 1 April 2019. Further, the purchased HeveaBoard Shares are assumed to be purchased from the market from shareholders of HeveaBoard who are deemed public, and the number of HeveaBoard Shares held by the Directors and Substantial Shareholders of HeveaBoard and/or persons connected to them remain unchanged.

However, the Company will ensure that prior to any share buy-back exercise, the public shareholding of least twenty five per centum (25%) is maintained.

13. APPROVAL REQUIRED

The Proposed Renewal of Authority is conditional upon approval from the shareholders at the forthcoming AGM.

14. DIRECTORS' AND/OR SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for the proportionate increase in percentage of shareholdings and/or voting rights of shareholders of our Company as a result of the Proposed Renewal of Authority, none of the Directors and Substantial Shareholders of the Company and/or persons connected with them have any interest, direct or indirect, in the Proposed Renewal of Authority or resale of Treasury Shares (if any in the future).

15. DIRECTORS' RECOMMENDATION

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

16. FURTHER INFORMATION

Shareholders may refer to the attached Appendix II for further information.

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FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This 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 Statement, or other facts and information, the omission of which would make any statement in this Statement false or misleading.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's Registered Office at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200, Kuala Lumpur during normal business hours from 8.30 a.m. to 5.30 p.m. from Monday to Friday (excluding public holidays) for the period commencing from the date of this Statement up to and including the date of our forthcoming AGM:-

- (i) The Memorandum and Articles of Association (Constitution) of the Company; and
- (ii) The audited consolidated financial statements of the Company for the past 2 financial years and the latest unaudited results since the last audited financial statements.

THE COMPANIES ACT, 2016

MALAYSIA

PUBLIC COMPANY LIMITED BY SHARES

PROPOSED NEW CONSTITUTION

OF

**HEVEABOARD BERHAD
(COMPANY NO. 275512-A)**

Incorporated on the 3rd day of September, 1993

**THE COMPANIES ACT, 2016
MALAYSIA**

PUBLIC COMPANY LIMITED BY SHARES

CONSTITUTION

OF

HEVEABOARD BERHAD

1. The name of the Company is **HEVEABOARD BERHAD**.
2. The registered office of the Company will be situated in Malaysia.
3. Objects and Power of the Company:-
 - 3.1 To carry on the business of integrated rubber wood processing, to manufacture reconstituted wood panels including particleboard, medium density fibreboard, oriented structure board, gypsum fibreboard, wood cement board and to trade in reconstituted wood panels and wood products.
 - 3.2 To carry on the business of an investment holding company and for that purpose to acquire and hold for investments shares, stocks, debentures, debenture stocks, bonds, obligations and securities issued and guaranteed by any company or private undertaking or any syndicate of persons constituted or carrying on business in Malaysia or elsewhere and debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any government, sovereign ruler, commissions, securities issued, public body or authority supreme, municipal, local or otherwise and to acquire any such shares, stock, debentures, debenture stock, bonds, obligations or securities by original subscription, tender, purchase, transfer, exchange or otherwise dispose of the same.
 - 3.3 To purchase or otherwise acquire for investment land, factories, houses, buildings, plantations and immovable property of any tenure or any interest therein and any movable property of any description or any interest therein and to create and sell freehold and leasehold ground rents and to make advances upon the security of land or house, or other property of any interest therein and generally to sell, lease or exchange land and house property and any other property whether real or personal and whether for valuation consideration or not.
 - 3.4 Section 21 of the Companies Act, 2016 shall apply to the Company, and the Company shall be capable of exercising all functions of a body corporate and have the full capacity and to carry on or undertake any business or activity that the Directors consider to be advantageous to the Company and that are not prohibited under any law for the time being in force in Malaysia.
4. The liability of the Members is limited.
5. The share capital of the Company is the issued share capital. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as to dividend, capital, voting or otherwise.

Subject always to the respective rights, terms and conditions mentioned in Clause 5 hereof the Company shall have power to increase or reduce the capital, to consolidate or sub-divide the shares into shares of larger or smaller amounts and to issue all or any part of the original or any additional capital as fully paid or partly paid shares, and with any special or preferential rights, privileges or subject to any special terms or conditions and either with or without any special designation, and also from time to time to alter, modify, commute, abrogate or deal with any such rights, privileges, terms, conditions or designations in accordance with the regulations for the time being of the Company.

6. Definitions and interpretation

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

WORDS	MEANINGS
"Act"	The Companies Act, 2016 and/or 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 for the time being in force.
"Authorised Nominee"	An authorised nominee defined under the Central Depositories Act.
"Auditors"	The auditors of the Company for the time being.
"Board"	The Board of Directors of the Company for the time being.
"Central Depositories Act"	The Securities Industry (Central Depositories) Act 1991 and/or any statutory modification, amendment or re-enactment thereof for the time being in force.
"Chairman"	The Chairman of the Board for the time being
"Company"	HeveaBoard Berhad (Company No. 275512-A)
"Deposited Security"	A Security standing to the credit of a Securities Account and includes a Security in a Securities Account that is in suspense.
"Depositor"	A holder of a Securities Account.
"Depository"	Bursa Malaysia Depository Sdn. Bhd. (Company No. 165570-W) and its successors-in-title.
"Directors"	The directors of the Company for the time being.
"Dividend"	Dividend and/or bonus.
"Electronic Form"	Document or information set or supplied in electronic form are those sent by "electronic communication" or by any other means while in an electronic form (for example sending an electronic copy (CD-ROM) by post) whereby a recipient of such document or information would be able to retain a copy.
"Exchange"	Bursa Malaysia Securities Berhad (Company No. 635998-W) and any other share, stock, or securities exchange upon which the shares of the Company may be listed.
"Exempt Authorised Nominee"	An authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.
"Foreign Ownership Regulations"	The Security Industry (Central Depositories) (Foreign Ownership) Regulations 1996 or any statutory modification, amendment or re-enactment thereof for the time being in force.
"Listed"	Admitted to the Official List and "listing" shall be construed accordingly.

6.1	"Listing Requirements"	Unless the context otherwise requires, means the Main Market Listing Requirements of the Exchange including any relevant practice and/or guidance notes, directives, guidelines issued pursuant thereto and any amendment, supplemental, modification to the same that may be made from time to time.
	"Managing Director"	The managing director of the Company for the time being.
	"Market Day"	Any day on which the stock market of the Exchange is open from trading in securities.
	"Member"	Any person for the time being holding shares in the Company and whose name appears in the Register of Members (with the exception of the Depository or its nominee company in whose name the Deposited Security is registered) and shall include any depositor whose name appears in the Record of Depositors.
	"Month"	Calendar Month.
	"Office"	The registered office of the Company for the time being.
	"Record of Depositors"	A record provided by the Depository to the Company or its registrar or its issuing house pursuant to an application under Chapter 24 of the Rules of the Depository.
	"Ringgit" and "RM"	The lawful currency of Malaysia.
	"Rules/Rules of the Depository"	Rules of the Depository and any appendices thereto as they may be amended or modified from time to time
	"Seal"	The common seal of the Company.
	"Secretary"	Any person (or persons jointly) appointed to perform the duties of the Secretary of the Company for the time being and shall include an assistant or deputy secretary.
	"Security/Securities"	shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 ("CMSA").
	"Securities Account"	An account established by the Depository for a Depositor for all recordings of deposits of Securities and for dealings in such Securities by the Depositor as permitted under the Central Depositories Act or the Rules.
	"Share Registrar"	Any person appointed to perform the duties of the Registrar of the Company for the time being.
	"Statutes"	The Act, the Central Depositories Act and every other Ordinance and Act for the time being in force concerning companies and affecting the Company.
	"Year"	Calendar Year.

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 other duties of the Company.

Interpretation

- 6.2 In this Constitution, unless there is something in the subject or context inconsistent with such construction or unless it is otherwise expressly provided:-
- 6.2.1 Reference to "Writing" shall, unless the contrary intention appears, be construed as including references to printing, typewriting, photography and lithography or wholly expressed in any other mode or modes representing or reproducing words in a visible form, or partly one and partly another;

- 6.2.2 Words denoting the singular number only shall include the plural number and vice versa and words importing the masculine gender only shall include the feminine gender and neuter genders and the words importing person shall include corporations and companies;
- 6.2.3 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
- 6.2.4 Subject as aforesaid words or expressions contained in this Constitution shall be interpreted in accordance with the provisions of the Interpretation Act, 1948 and 1967, as amended from time to time and any re-enactment thereof.

SHARES

7. Authority of Directors to allot shares

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the provisions of this Constitution and the Act and the Central Depositories Act and to the provisions of any resolution of the Company, shares in the Company may be issued by the Directors, who may offer, allot or otherwise dispose of such shares to such persons on such terms and conditions with such (whether in regard to dividend, voting or return of capital) preferred, deferred or other special rights and either at a premium or otherwise, and subject to such restrictions and at such time or times as the Directors may think fit but the Directors in making any issue of shares shall comply with the following conditions:-

- 7.1 no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person, company or syndicate without the prior approval of the Members in general meeting;
- 7.2 in the case of shares, other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution or in the resolution creating the same;
- 7.3 every issue of shares or options to employees and/or Directors shall be approved by the Members in general meeting and:-
- a) Such approval shall specifically detail the amount of shares or options to be issued to such employees and/or Directors; and
 - b) A Director not holding office in an executive capacity may so participate in an issue of shares pursuant to a share option scheme;
- 7.4 in the case of shares offered to the public for subscription the amount payable on application on each share shall not be less than five per centum (5%) of the issue price;
- 7.5 the Company must ensure that all new issue of shares for which listing is sought shall be made by way of crediting the Securities Accounts of the allottees or entitled persons in the Depository with such securities save and except where the Company is specifically exempted from doing so. The Company shall notify the Depository of the names of the allottees or the entitled persons together with all such particulars as may be required by the Depository to enable it to make the appropriate entries in the Securities Accounts of such allottees or entitled persons.
- 7.6 the Company must allot and issue Securities, despatch notices of allotment to the allottees and make an application for the quotation of such securities within such periods as may be prescribed by the Exchange.

8. Issue of Securities

8.1 General mandate for issue of Securities

Subject to the Listing Requirements, the Act, the Central Depositories Act and/or the Rules and notwithstanding the existence of a resolution pursuant to Section 75(1) and 76(1) of the Act, the Company must ensure that it shall not issue any shares or other convertible securities if the total number of those shares or other convertible securities, when aggregated with the total number of any such shares or other convertible securities issued during the preceding twelve (12) months, exceeds ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company, except where the shares or other convertible securities are issued with the prior approval of shareholders in general meeting of the precise terms and conditions of the issue, in working out the number of shares or other 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.

8.2 Pre-emption

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 Members or 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 the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or Security 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.

9. Issuance of Preference Shares

Subject to the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are or will be liable, to be redeemed provided that:-

- 9.1 Preference shareholders shall have the same rights as ordinary shareholders as regards to the receiving of notices, reports and financial statements and attending of general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the whole of the Company's property, business or undertaking or where the proposition to be submitted to the meeting directly affects their rights and privileges or when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months or during the winding up of the Company. On a resolution to be decided on a show of hands, a holder of preference shares who is personally present and entitled to vote shall be entitled to one (1) vote.
- 9.2 The holder of a preference shares shall be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up; and
- 9.3 The Company shall not, without the consent of the existing preference shareholders at a class meeting or pursuant to clause 19 hereof, issue further preference capital ranking in priority above preference shares already issued but may issue preference shares ranking equally therewith.

10. No financial assistance

Save for those exemption as set out under Section 125 of the Act, the Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company nor shall the Company make a loan for any purpose whatsoever on the security of its shares or those of its holding company, but nothing in this Constitution shall prohibit transactions mentioned in Section 127 of the Act or the circumstances set out in Section 127 of the Act.

11. Purchase of own shares

Subject to the provisions of the Act and the Listing Requirements and the approval of the Members and any other relevant authority, the Company shall have the power to purchase its own shares and to deal with the shares so purchased in the manner provided by the Act, the Listing Requirements and any other relevant authority.

12. Powers of paying commission and brokerage

The Company may exercise the powers of paying commissions conferred by Section 80 of the Act to any persons in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure, whether absolutely or conditionally, for any shares of the Company, provided that the rate per centum or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act, and the rate of the

commission shall not exceed the rate of ten per centum (10%) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to ten per centum (10%) of such price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

13. Interest on share capital during construction

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

14. Compliance with requirements

The Company shall duly observe and comply with the provisions of the Act and the Listing Requirements from time to time prescribed by the Exchange applicable to any allotment of its shares.

15. Trust not to be recognised

Except as required by this Constitution, the Act, any order of court, the Central Depositories Act, the Rules or otherwise 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 be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or unit of share or any other rights in respect of any share, except an absolute right to the entirety thereof in the registered holder.

16. Exercise of rights of Members

No person shall exercise any rights of a Member until his name shall have been entered in the Records 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.

17. Instalments

If, by the conditions 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.

CERTIFICATES

18. Issue of share certificates

Subject to the provisions of the Act, the Central Depositories Act and the Rules, every share certificate of the Company shall be issued under the Seal and bear the facsimile signatures or the autographical signatures reproduced by mechanical, electronic and/or by any other means of one Director and the Secretary or a second Director or such persons as may be authorised by the Board and shall specify the number and class of shares to which it relates to and the amount paid thereon.

ALTERATION OF RIGHTS

19. Repayment of Preference Shares

Notwithstanding Clause 20 hereof, the repayment of preference shares other than redeemable preference shares, or any alteration of preference shareholders rights may 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 class meeting, consent in writing, if obtained from the holders of three-fourths (3/4) of the preference shares concerned within two (2) months of the class meeting, shall be as valid and effectual as a special resolution carried at the class meeting.

20. Alteration of class rights

Whenever the capital of the Company is divided into different classes of shares or groups the special rights attached to any class or group may subject to the provisions of this Constitution (unless otherwise provided by the terms of issue of the shares of the class), either with the consent in writing of the holders of three-quarters (3/4) of the issued shares capital of the class or group, or with the sanction of any special resolution passed at a separate general meeting of such holders (but not otherwise), be modified or abrogated, and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, and such writing or resolution shall be binding upon all the holders of shares of the class. To every such separate general meeting all the provisions of this Constitution relating to general meetings or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy (but so that if an adjourned meeting of such holders a quorum as above defined is not present those Members who are present shall be a quorum), that any holder of shares in the class present in person or by proxy may demand a poll and that the holders of shares of the class or group shall, on a poll, have one vote in respect of every share of the class or group held by them respectively. To every such special resolution, the provisions of Section 292 of the Act, shall, with such adaptations as are necessary, apply.

21. Ranking of class rights

The rights conferred upon the holders of the shares of any class with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

CALLS ON SHARES

22. 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 and each Member shall be liable to pay the amount of every call so made upon him to the Company and at the times and places appointed by the Directors provided that no call shall exceed one-fourth of the issued price of the share or be payable at less than thirty (30) days from the date fixed for the payment of the last preceding call and provided that a least fourteen (14) days' notice is given to the Members of each call. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed and may be required to be paid 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). A call may be revoked or postponed as the Directors may determine.

23. Instalments similar to call

If by the terms of the issue of any shares or otherwise any amount is made payable at any fixed time or by instalments at any fixed times such amount or instalments shall be payable on the date on which by the terms of issue the same becomes payable as if it were a call duly made by the Directors and of which due notice had been given; and all provisions hereof with respect to the payment of calls and interests thereon or to the forfeiture of shares for non- payment of calls shall apply.

24. When calls deemed made

A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.

25. Differentiation in time and payment of calls

The Directors may, on the issue of shares, differentiate between the holders of such shares as to the amount of calls to be paid and of the time of payment of such calls.

26. Non-payment of calls

Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date, shall, for all purposes of this Constitution be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of this Constitution as to payment of interest and expenses, forfeiture and the like, and all other relevant provisions of this Constitution shall apply as if such sum were a call duly made and notified as hereby provided.

27. 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 holder or allottee of the share shall pay interest from the day appointed for payment thereof to the time of actual payment, on the amount of the call at such rate not exceeding ten per centum (10%) per annum or at such other rate as the Directors shall determine but the Directors may waive payment of such interest wholly or in part.

28. Calls to be fully paid before receiving dividend

No shareholder shall be entitled to receive any dividend or to exercise any privileges as a Member until he shall have paid all calls for the time being due and payable on every share held by him together with interest and expenses (if any).

29. Advance of calls

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 interest on such moneys advanced at a rate not exceeding (unless the Company in general meeting shall otherwise direct) ten per centum (10%) per annum, but no money so advanced shall confer a right to participate in profits. Except in liquidation, sums paid in advance of calls shall not, until the same would but for such advance have become payable, be treated as paid up on the shares in respect of which they have been paid.

FORFEITURE AND SURRENDER OF SHARES

30. Notice to pay calls

If any Member fails to pay the whole or any part of any call or instalment of a call on or by the day appointed for the payment thereof, the Director may, at any time thereafter, during such time as the call or instalment or any part thereof remains unpaid, serve a notice on him or on the person entitled to the share by transmission requiring him to pay such call or instalment, or such part thereof as shall then be unpaid together with interest thereon not exceeding ten per centum (10%) per annum or at such other rate as the Directors shall determine which may have accrued and any expenses that may have been incurred by reason of such non-payment.

31. Length of Notice

The notice shall name a further day (not earlier than the expiration of fourteen (14) days from the date of service of the notice) on which such call or instalment or such part as aforesaid and all interest which have accrued and expenses that have been incurred by reason of such non-payment is to be paid. It shall also name the place where the payment is to be made and shall state that in the event of non-payment by the time and at the place appointed, the share in respect of which such call was made will be liable to be forfeited.

32. Failure to comply with notice

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 the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. A forfeiture of shares shall include all dividends in respect of the shares not actually paid before the forfeiture notwithstanding that they shall have been declared.

33. Notice of forfeiture

When any share has been forfeited in accordance with this Constitution, notice of the forfeiture shall be given to the holder of the share or to the person entitled to the share by transmission as the case may be, within fourteen (14) days of the forfeiture and an entry of such notice having been given, and of the forfeiture with the date thereof shall forthwith be made in the Register opposite to the share but no forfeiture shall in any manner be invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

34. Annulment of forfeiture

Notwithstanding any such forfeiture as aforesaid the Directors may at any time before the forfeited share has been otherwise disposed of, annul the forfeiture upon the payment of all calls and interest accrued thereon and expenses incurred in respect of the share and upon such further terms (if any) as the Directors shall see fit to impose.

35. Sale of forfeited shares

Every share which has been forfeited shall thereupon become the property of the Company, and may either be cancelled or sold or re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder thereof or to any other person upon such terms and in such manner as the Directors shall think fit. If any shares are 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.

36. Liability to Company of person whose shares are forfeited

A Member whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but shall, notwithstanding the forfeiture be liable to pay to the Company all calls made and not paid on such shares at the time of forfeiture together with interest thereon at the rate of ten per centum (10%) per annum to the date of payment as well as all expenses incurred thereby but his liability shall cease if and when the Company receives payment in full of all such money in respect of the shares.

37. Consequence of forfeiture

The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the Member 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, the Central Depositories Act and the Rules, given or imposed in the case of past Members.

38. Evidence of forfeiture

A statutory declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

39. Title of purchaser of forfeited share

The Company may receive the consideration, if any, given for a forfeited share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

40. Application of forfeiture provisions

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

LIEN

41. 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:-

- (a) unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid;
- (b) if the shares were acquired under an employee share option scheme, amounts which are owed to the Company for acquiring them; and
- (c) 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.

In each case, the lien extends to reasonable interest and expenses incurred because the amount is not paid.

42. Power of sale

For the purpose of enforcing such lien, the Company may sell the shares subject thereto in such manner as the Directors think fit, but no such sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until notice in writing of the intention to sell shall have been served on such Member, his executors or administrators or other persons recognised by the Company as the owner thereof, and default shall have been made by him or them in the payment of such debts, for fourteen (14) days after such notice.

43. Application of proceeds of sale

The net proceeds of any such sale after payment of costs of such sale shall be received by the Company and applied in payment of the amount in respect of which the lien exists as is presently payable and the residue (if any) shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale or his executors, administrators or assignees or as he directs.

No Member shall be entitled to receive any dividend or to exercise any privileges as a Member until he has paid all calls for the time being due and payable on every share held by him together with interest and expenses (if any).

TRANSFER OF SECURITIES

44. Transfer of securities

The transfer of any Listed Security or class of Listed Security in the Company shall be by way of book entry by the Depository in accordance with the Rules and notwithstanding Sections 105, 106 or 110 of the Act, 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 the Listed Security.

45. Transferor's right

The instrument of transfer of any share shall be executed by or on behalf of the transferor, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Record of Depositors in respect thereof.

46. Person under disability

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

TRANSMISSION OF SHARES

47. Transmission of Shares

Where:-

- (a) the securities of the Company are listed on another Exchange; and
- (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the rules of the Depository 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 Share Registrar of the Company in the jurisdiction of the other Exchange, to the register of holders maintained by the Share Registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.

48. Death of holder of shares

In the event of the death or bankruptcy of a Member, any person becoming entitled as a result thereof may transfer or be registered as the owner of the shares held by that Member before his death or bankruptcy or otherwise deal with the said shares in the manner allowed by law and in accordance with the Rules. The person so entitled shall notify the Depository accordingly in writing of his election whether to have the shares of the deceased or bankrupt Member to be registered under his name or otherwise to be transferred to another person and shall comply with the Rules affecting the registration and transfer of the said shares, as the case may be.

CONVERSION OF SHARES INTO STOCK

49. Conversion of shares into stock and reconversion

The Company may by ordinary resolution at a general meeting convert all or any of its paid up shares into stock and may from time to time, in like manner, reconvert any such stock into paid up shares of any denomination.

50. Stock may be transferred

When any shares have been converted into stock, the several holders of such stock may transfer their respective interests therein, or any part of such interest, in such manner as the Company in general meeting shall direct, but in default of any such direction in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances will admit. But the Directors may, if they think fit, from time to time fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, provided that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

51. Participation in dividends and profits

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

52. Provisions applicable to shares shall apply to stock

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

INCREASE OF CAPITAL

53. Increase of share capital

The Company may from time to time, whether all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution passed at the general meeting increase its share capital, such new capital to be of such amount and to be divided into shares of such rights to or be subject to such conditions or restriction in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase directs, and if no direction to be given, as the Directors shall determine and in particular, but without prejudice to the rights attached to any preference shares that may have been issued, such new shares may be issued with a preferential or qualified right to dividends, and in the distribution of the assets of the Company and with a special or restricted or without any right of voting.

54. Issue of new shares to existing Members

Subject to any direction to the contrary that may be given by the Company in general meeting any shares or securities from time to time to be created shall before they are issued be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may in like manner dispose of any such new shares or securities as aforesaid which, by reason of the ratio borne by them to the number of shares or securities held by persons entitled to such offer of new shares or securities cannot, in the opinion of the Directors be conveniently offered in the manner herein provided.

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

Except so far as otherwise provided by the conditions of issues, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company, and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transaction, forfeiture and otherwise as the original share capital and shall also be subject to the Rules.

ALTERATION OF CAPITAL

56. 56.1 The Company may by special resolution:-

- (i) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;
- (ii) convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares; or
- (iii) subdivide its shares or any of the shares, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

56.2 The Company may, subject to the provision of the Act, by special resolution reduce its share capital.

GENERAL MEETINGS

57. Annual General Meeting

The Company shall in each calendar year, hold a general meeting as its annual general meeting, in addition to any other meetings held during that year. The annual general meeting shall be held within six (6) Months from the Company's financial year end and not more than fifteen (15) Months after the last preceding annual general meeting.

58. Extraordinary General Meeting

All general meetings other than annual general meetings shall be called extraordinary general meetings.

59. General Meetings at two or more venues

All general meetings shall be held at such place, day and time as the Directors shall determine. A general meeting may be held at more than one venue using any technology or method that enables the Members of the Company to participate and to exercise the Members' rights to speak and vote at the meeting. The main venue of the meeting shall be in Malaysia and the Chairman shall be present at that main venue of the meeting.

60. Convening of Extraordinary General Meeting

The Directors may whenever they think fit, convene an extraordinary general meeting and extraordinary general meeting shall also be convened on such requisition as is referred to in Section 312 of the Act, or if the Company makes default in convening a meeting in compliance with a requisition received pursuant to the Act, a meeting may be convened by such requisitionists themselves in the manner provided in Section 313 of the Act. Any meeting convened by requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors.

61. Notice of meetings

Subject to the provision of the Act and agreement for shorter notice, the notice convening general meeting shall be given to all shareholders at least fourteen (14) 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. In either case, for the purpose of calculating the notice period, the day on which the notice of meeting is given or served or deemed to be duly served shall not be counted.

Every notice convening meetings shall specify the meeting as such, the place, day/date and time of the meeting, and the general nature of the business of the meeting. Every meeting convened for passing a special resolution shall state the intention to propose such resolution as a special resolution. Any notice of meeting called to consider such special business shall be accompanied by a statement regarding to effect of any proposed resolution in respect of such special business.

Notice of a meeting shall be given to the Exchange, all Members entitled to receive notices of general meeting, to all persons entitled to a share (who have produced such evidence as may from time to time be required by the Depository in accordance with the Rules or as the Depository may determine) in consequence of the death, bankruptcy or mental disorder of a Member or by operation of law, and to the Directors and auditors of the Company. A notice shall be deemed given on the day on which it is advertised in at least one (1) widely circulated newspaper in Malaysia in the national language or in the English language through which such advertisement is made.

62. General Meeting Record of Depositors

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

63. Business of Extraordinary General Meeting

Subject always to the provisions of the Act, no business shall be transacted at an extraordinary general meeting except business of which notice has been given in the notice convening the meeting.

64. Right to appoint proxy

In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a Member entitled to attend and vote 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. 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.

65. Omission to give notice

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 at any such meeting.

66. Call of meetings by shorter notice

A meeting shall, notwithstanding that it is called by notice shorter than is required by Clause 61, be deemed to be duly called if it is so agreed, in the case of a meeting called as the annual general meeting, by all the Members entitled to attend and vote thereat or in the case of an extraordinary general meeting, by a majority in number of the Members having a right to attend and vote thereat, being a majority which together holds not less than ninety-five per centum (95%) of the shares giving a right to attend and vote.

67. Resolution requiring special notice

Subject to the provision of the Act, where a 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 practicable, give its Members notice of any such resolution at the same time and in the same manner as it gives notice of the meeting or, if that is not practicable, the Company shall give its Members notice thereof, in any manner allowed by this Constitution not less than fourteen (14) days before the meeting, but if after notice of the intention to move such a resolution has been given to the Company, a meeting is called for a date twenty-eight (28) days or less after the notice has been given, the notice, although not given to the Company within the time required by this Constitution shall be deemed to be properly given.

68. Circulation of Statements

Subject to the provision of the Act, Members of the Company may require the Company to circulate a statement with respect to a matter referred to in a proposed resolution to be dealt with or other business to be dealt with at a meeting of Members, or give notice of a resolution which may be properly moved and is intended to move at that meeting, to Members of the Company entitled to receive notice of a meeting of Members. The Directors of the Company shall send a copy of the statement to each Member of the Company who is entitled to receive notice of the meeting in the

same manner as the notice of the meeting, and at the same time as, or as soon as reasonably practicable after it gives notice of the meeting.

PROCEEDINGS AT GENERAL MEETING

69. Special Business

All business that is transacted at:

- (1) an extraordinary general meeting; or
- (2) an annual general meeting (except declaring a dividend, the laying of audited financial statements and the reports of the Directors and auditors, the fixing of Directors' fees and benefits, the election of Directors in place of those retiring or otherwise, and the appointment and the fixing of the remuneration of the auditors),

shall be special.

70. Quorum at general meeting

Subject to the provisions of the Act, no business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds, to business. For all purposes, two (2) Members, each being a Member entitled to attend and vote at the meeting, personally present at the meeting, or by proxy or attorney of such Member (whether individual, corporate or otherwise), or in the case of corporations which are Members, present by their representative(s) duly appointed pursuant to the Act, shall be a quorum.

71. Proceedings of quorum not present

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of Members, shall be dissolved. If otherwise convened, it shall stand adjourned to the same day in the next week (or if that day be a public holiday, then to the next business day following such public holiday), at the same time and place or to such other day and at such other time and place as the Directors may determine, but if a quorum is not present within fifteen (15) minutes from the time appointed for holding the adjourned meeting, the Member(s) present shall constitute a quorum and may transact the business for which the meeting was called but no notice of any such adjournment as aforesaid shall be required to be given to the Members.

72. 72.1 Chairman of general meeting

The Chairman of the Board, shall preside as Chairman at every general meeting, but if no such Chairman is present within fifteen (15) minutes after the time appointed for holding the meeting, or he is unwilling or unable to act for any reason whatsoever or he shall retire from the chair or there is no Chairman, the Deputy Chairman shall preside as Chairman of the meeting, if he is not present or unwilling to act, the Directors present shall choose one of their number to act as Chairman of such meeting, and if there be no Director chosen who shall be willing to act, or no Director is present, the Members present in person or by proxy and entitled to vote shall choose one of their own number to act as Chairman at such meeting, the election of Chairman amongst Members shall be by majority on a show of hand.

72.2 Directors' right to present at general meeting

A Director shall, notwithstanding he is not a Member, be entitled to attend and speak at any general meeting of the Company and at any separate meeting of any of the holders of any class of shares in the Company.

73. 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 so 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.

74. Resolution in writing

A resolution in writing signed by all the Members of the Company for the time being entitled to receive notice of and to attend and vote at general meetings or their agents authorised in writing shall (except where a meeting is prescribed by the Act) be as valid and effectual as if it had been passed at a meeting of the Members duly convened and held, and such resolution may consist of several documents in like form each signed by or on behalf of one or more Members. In the case of a corporate body which is a Member of the Company such resolution may be signed on its behalf by its authorised representative duly authorised by such corporate body by resolution of its directors or other governing body or by Power of Attorney to sign resolution on its behalf. Any such document, may be accepted as sufficiently signed by a Member if transmitted to the Company by letter, telex, telegram, cable, facsimile or electronic means purporting to include a signature of the Member.

75. Voting on resolution

75.1 Subject to any express requirement of the Listing Requirements, at any general meeting a resolution put to the vote of the meeting shall be determined by a show of hands of the Members present in person or by proxy, unless a poll is demanded (before or upon the declaration of the result of a show of hands):-

- (a) by the Chairman of the meeting;
- (b) by at least five (5) Members having right to vote at the meeting in person or by proxy;
- (c) by any Member or Members present in person or by proxy representing not less than one-tenth (1/10) of the total voting rights of all the Members having the right to vote at the meeting; or
- (d) by a Member or Members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth (1/10) of the total sum paid up on all the shares conferring that right.

Provided that no poll shall be demanded on the election of a chairman of a meeting or on any question of adjournment.

A poll demanded by a person as proxy for or attorney of a Member (whether individual, corporate or otherwise) or duly authorised representative for a corporate Member shall be the same as a demand by the Member.

75.2 Unless a poll is duly demanded in accordance with the foregoing provisions, a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost, and an entry to that effect in the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number, proportion or validity of the votes, recorded in favour of or against such resolution.

76. Proxies' right to demand a poll

The instrument appointing a proxy to vote at a meeting shall be deemed to confer authority to demand, or join in demanding a poll, and, for the purposes of the last preceding Clause, a demand by a person as proxy for a Member shall be the same as a demand by the Member.

77. Counting of votes

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

78. Taking of poll

If a poll is duly demanded it shall be taken in such manner as the Chairman may direct (including the use of a ballot or voting papers or tickets or electronically using various forms of electronic voting devices) and the result of the poll shall be the resolution of the meeting at which the poll was demanded. The Chairman shall appoint scrutineers to verify the votes which shall be counted by the poll administrators for the purposes of a poll, and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the results of the poll.

79. Time of the taking of poll

Subject to Clause 75 a poll demanded on any question shall be taken either forthwith or after an interval or adjournment or otherwise as at such time and place as the Chairman directs not being more than thirty (30) days from the date of the meeting or adjourned meeting at which the poll was demanded. No notice need to be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded .

80. Continuance of meeting of other business

The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

81. Withdrawal of poll

The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

VOTES FOR MEMBERS

82. Chairman's casting vote

In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to casting vote in addition to any other vote he may have.

83. 83.1 Members' vote

Subject to Clause 62 above and any rights or restrictions for the time being attached to any class or classes of shares, at meetings of Members or classes of Members, each Member shall be entitled to be present and to vote at any general meeting of the Company either personally or by proxy or by representative duly authorised for a corporate Member or by attorney and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid.

83.2 Number of votes

Subject to any special rights or restrictions as to voting attached to any class or classes of shares by or in accordance with this Constitution, every Member who:

- (1) being an individual, is present in person or by proxy or attorney; or
- (2) being a corporation, is present by a duly authorised representative or by proxy or attorney,

and is entitled to vote, shall on a show of hands be entitled to one (1) vote on any question at any general meeting, and in the case of a poll every Member shall have one (1) vote for every share held by him. A person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses on a poll in the same way. In the case of joint holders of shares of the Company, the joint holders shall be considered as one (1) shareholder, if the joint holders purport to exercise their power in the same way, the power is treated as exercised in that way, or if the joint holders do not purport to exercise their power in the same, the power is treated as not exercised.

83.3 Shares of different denominations

Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right's exercisable.

84. Votes of corporate Member

Any corporation which is a Member of the Company may by resolution of its Board of Directors or other governing body authorise such person as it thinks fit to act as its representative either at a particular meeting of the Company, or at all meetings of the Company or of any class of Members and the 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 he represents as that corporation could exercise if he was an individual Member of the Company subject to Section 333 of the Act. Reference to 'duly authorised representative' in this Constitution shall refer to such person so authorised.

85. 85.1 Vote of Members of unsound mind

Any Member being of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder "may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other legal guardian or such other person who has been properly appointed to manage his estate. Any one of such committee or other person may vote either by proxy or by attorney provided such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty-eight (48) hours before the time appointed for holding the meeting.

85.2 Vote of legal personal representatives of Members

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

86. Members in default

Subject to Clause 62 above, no Member shall be entitled to be present or to vote at any general meeting or to exercise any privilege as a Member nor be counted as one of the quorum unless all calls or other sums immediately payable by him in respect of shares in the Company have been paid.

87. Time for objection of any voter's qualification

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 made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

88. Instrument of proxy

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the appointor.

89. Appointment of multiple proxies

A Member, including an Authorised Nominee and an Exempt Authorised Nominee, may appoint one or more proxies to attend on the same occasion. Where a Member appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.

Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. An Exempt Authorised Nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

90. 90.1 Appointment and Deposit of proxy

The Company shall be entitled and bound:-

- (a) to reject any instrument of proxy lodged if the Member is not shown to have any shares entered against his name in the register of Members and/or the latest Record of Depositors made available to the Company; and
- (b) to accept as the maximum number of votes which in aggregate the proxy appointed by the Member is able to cast on a poll the aggregate number of shares which is entered against the name of that Member in the register of Members and/or the latest Record of Depositors made available to the Company whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Member.

90.2 The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.

91. Form of Proxy

An instrument appointing a proxy shall be in the following form or in such other form as the Directors may prescribe or approve, or in particular cases accept. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates and need not be witnessed.

PROXY FORM						
		<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding: 2px;">No. of shares held</td> <td style="width: 50px;"></td> </tr> <tr> <td style="padding: 2px;">CDS Account No.</td> <td></td> </tr> </table>	No. of shares held		CDS Account No.	
No. of shares held						
CDS Account No.						
<p>HeveaBoard Berhad (275512-A) (Incorporated in Malaysia)</p>						
<p>I/We..... of (full address) being a member/members of HeveaBoard Berhad, hereby appoint (full name) of (full address) or failing him/her, (full name) of (full address)</p>						
<p>or failing which, the Chairman of the Meeting* as my/our proxy to attend and vote for me/us on my/our behalf at the Annual / Extraordinary General Meeting of the Company to be held at (place) on (day & date) at (time) or at any adjournment thereof and to vote as indicated below:-</p>						
No.	Resolution	For	Against			
<p>* if you wish to appoint any person other than the Chairman of the Meeting to be your proxy, kindly delete the words "the Chairman of the Meeting" and insert the name of the person desired.</p>						
<p>(Please indicate with a cross (X) in the space provided, how you wish your vote to be casted in respect of the above resolutions. If you do not do so, the proxy may vote or abstain at his/her discretion.)</p>						
<p>Signed this day of</p>						
<p>..... Signature/Common Seal of Shareholder</p>						

92. Deposit of Proxy

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarial 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, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. PROVIDED ALWAYS that the Company may by written notice waive the prior lodgement of the above instrument appointing a proxy and the power of attorney or other authority.

93. Proxy irrevocable unless notice received by the Company

A vote given in accordance with the terms of an instrument of appointment of proxy or attorney shall be valid, notwithstanding the subsequent transfer of shares or death or unsoundness of mind or bankruptcy, or in case of a corporate Member, insolvency or liquidation of the principal or revocation of the instrument or of the authority under which the instrument of proxy was executed is given, provided that no intimation in writing of such transfer, death, unsoundness of mind or bankruptcy or in case of corporate Member, insolvency or liquidation, revocation or transfer as aforesaid has been received by the Company at the Office before the commencement of the meeting or adjourned meeting (or in the case of a poll, before the time appointed for the taking of the poll) at which the instrument is used. A Member shall not be precluded from attending and voting

in person at any general meeting after lodging the proxy form but however such attendance shall automatically revoke the proxy's authority.

94. Notice of Termination of Appointment of Proxy

A Member of the Company is permitted to give the Company notice of termination of a person's authority to act as proxy not less than twenty-four (24) hours before the time appointed for holding the meeting. The notice of termination must be in writing and be deposited at the Office or at such other place within Malaysia.

DIRECTORS

95. Number of Directors

All the Directors of the Company shall be of full age and the number of Directors (disregarding alternate Directors) shall not be less than two (2) and not more than twelve (12) (unless otherwise determined by ordinary resolution). The remaining Director or Directors may continue to act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by this Constitution, the remaining director may, except in an emergency, act only for the purpose of increasing the number of directors to such minimum number, or to summon a general meeting of the Company.

96. Director's qualification

The shareholding qualification for Directors may be fixed by the Company in general meeting and until so fixed no shareholding qualification for Directors shall be required. All Directors shall be entitled to receive notice of and to attend and speak at all general meetings of the Company.

97. 97.1 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 not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election PROVIDED ALWAYS that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

97.2 Senior Director to retire

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

98. Notice of nomination of Director

No person, not being a retiring Director, shall be eligible for election to the office of Director at any general meeting unless a Member intending to propose him for election has, at least eleven (11) clear days before the meeting, left at the 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 Board 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.

99. When the retiring Director deemed re-elected

The Company at the meeting at which a Director retires may fill the vacated office by electing a person thereto. Unless at that meeting it is expressly resolved not to fill the vacated office or a resolution for re-election of the Director retiring at that meeting is put to the meeting and lost or some other person is elected as 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. If he is not reappointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

100. No appointment of Director by single resolution

At a general meeting at which more than one Director is to be elected, each candidate shall be the subject of a separate motion and vote unless a motion for the appointment of two 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.

101. Number may be increased or decreased

The Company may from time to time by ordinary resolution passed at a general meeting increase or reduce the number of Directors, and may also determine in what rotation the increased or reduced number is to go out of office.

102. 102.1 Alternate Directors

A Director (other than an alternate Director) may appoint any person to act as his alternate Director, provided that:-

- (1) such person is not a Director of the Company;
- (2) such person does not act as an alternate Director for more than one (1) Director of the Company;
- (3) the appointment is approved by a majority of the members of the Board; and
- (4) any fee paid by the Company to the alternate Director shall be deducted from that Director's remuneration.

102.2 Any appointment so made may be revoked at any time by the appointor and any appointment or revocation under this Constitution shall be effected by notice in writing to be delivered to the Secretary of the Company. The appointment or revocation of an alternate Director may be made by cable, telegram, telefax, telex or in any other manner approved by the Directors. Any cable or telegram shall be confirmed as soon as possible by letter, but may be acted upon by the Company meanwhile.

102.3 An alternate Director shall ipso facto cease to be an alternate Director if his appointor for any reason ceases to be a Director, but if a Director retires by rotation or otherwise but is reappointed or deemed to have been reappointed pursuant to this Constitution at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately before his retirement shall continue after his reappointment.

102.4 The alternate Director shall be entitled:

- (1) to receive notice of all meetings of Directors and all meetings of committees of Directors of which his appointor is a member;
- (2) to attend, speak and vote at any such meetings at which his appointor is not personally present;
- (3) to sign any resolution in writing under Clause 136 and documents to be or which may be signed by him and to sign on his appointor's behalf, documents to be signed by his appointor as a Director, in the absence of his appointor;
- (4) to generally perform all the functions of his appointor as a Director in his absence.

102.5 A Director shall not be liable for the acts and defaults of any alternate Director appointed by him.

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

103. Removal of Directors

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

104. Appointment by the Board of Directors

The Directors shall have power at any time, and from time to time, to appoint any person who is willing to act as Director, either to fill a casual vacancy or as an addition to the existing Directors, provided the appointment does not cause the total number of Directors to 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 Directors who are to retire by rotation at that meeting.

105. Remuneration

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

- (1) Directors' fees payable to Directors not holding any executive office in the Company shall be a fixed sum, and shall not be payable by a commission on or percentage of profits or turnover;
- (2) salaries payable to Directors holding executive office in the Company may not include a commission on or percentage of turnover;
- (3) all fees payable to Directors shall be deemed to accrue from day to day; and
- (4) 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.

The fees of Directors and any benefits payable to Directors shall be subject to annual Members approval at a general meeting.

106. 106.1 Reimbursement and special remuneration

The Directors shall be entitled to be reimbursed for all travelling, hotel or such other reasonable expenses as may be incurred by them in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in connection with or about the business of the Company in the course of the performance of their duties as Directors.

- 106.2 If by arrangement with the Directors, any Director shall perform or render any special duties or service outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may pay him special remuneration, in addition to or in substitution for his ordinary remuneration as a Director, and such special remuneration may be paid in a lump sum or by way of salary, or by a percentage of profits, or by any of such methods but shall not include (where such special remuneration is paid by way of salary) a commission on or a percentage of turnover.

107. Vacation of office of Directors

The office of a Director shall be vacated if during his term of office:-

- (1) if (not being the Managing or Deputy or Assistant Managing Director holding office as such for a fixed term) he resigns his office by notice in writing under his hand sent to or left at the Office;
- (2) If he retires in accordance with the Act or the Constitution of the Company but is not re-elected;
- (3) if he is removed from his office of Director in accordance with the Act or the Constitution of the Company;
- (4) if he is absent from more than fifty per centum (50%) of the total number of Board of Directors' meetings of the Company held during a financial year unless approval is sought and obtained from the Exchange;
- (5) if he becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
- (6) dies;
- (7) if he becomes an undischarged bankrupt;
- (8) he convicted of any offence whether within or outside Malaysia :
 - (i) in connection with the promotion, formation or management of a corporation;
 - (ii) involving bribery, fraud or dishonesty; or
 - (iii) under Section 213, 217, 218, 228 or 539 of the Act;
- (9) if he becomes disqualified by the Court under Section 199 of the Act;
- (10) if he becomes prohibited or disqualified from being a Director by reason of any order made under the provisions of the Act, the law or the Listing Requirements;

POWER AND DUTIES OF DIRECTORS

108. General power of Directors to manage Company's business

The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not by the Act or by this Constitution required to be exercised by the Company in general meeting, subject nevertheless to any of this Constitution and the provisions of the Act, and to such regulations not being inconsistent with this Constitution or the provisions of the Act as may be prescribed by the Company in general meeting, but no regulations so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Clause shall not be limited or restricted by any special authority or power given to the Directors by any other Constitution and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.

109. Approval of the Company required

The Directors shall not without the prior approval of the Company in general meeting:-

- (1) carry into effect any proposal or execute any transaction for the acquisition of an undertaking or property of a substantial value, or the disposal of a substantial portion of or a controlling interest in the Company's undertaking or property;
- (2) exercise any power of the Company to issue shares unless otherwise permitted under the Act; or
- (3) subject to Section 228 of the Act, enter into any arrangement or transaction with a Director or a Director of the holding company or a subsidiary of the Company, or with a person connected with such a Director to acquire from or dispose to such a Director or person any non-cash assets of the requisite value.

110. Directors' borrowing powers

110.1 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company, subsidiaries or of any related third party. The Directors may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon with power to the Directors to indemnify the guarantors from or against liability under their guarantee by means of a mortgage or hypothecation of or charge upon any property and asset of the Company or otherwise. The Director may exercise all the powers of the Company to guarantee and give

guarantees or indemnities for payment of money, the performance of contracts or obligations or for the benefit or interest of the Company or its subsidiaries.

110.2 Nothing contained in this Constitution shall authorise the Directors to 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.

110.3 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 the Act in regard to the registration of mortgages and charges therein specified or otherwise.

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

111. Directors' and employees' benefit

111.1 Pension scheme

Subject to the provision of the Act, the Directors may:

- (1) procure the establishment and maintenance of or participation in or contribution to any non-contributory or contributory pension or superannuation fund, scheme or arrangement or life assurance scheme or arrangement for the benefit of; or
- (2) pay, provide for or procure the grant of donations, gratuities, pensions, allowances, bonuses, loans, credit, benefits or emoluments to; or
- (3) procure the establishment and subsidy of or subscription and support to any institutions, associates, clubs, funds or trusts calculated to advance the interests and well being of or for the benefits of; or
- (4) pay for or toward the insurance of,

any Directors (whether or not he holds or has held any executive office or employment of the Company or any person referred to in sub-Clause (b) below, officers and employees and former Directors, officers and employees of:

- (a) the Company; or
- (b) any body corporate which is or has been a subsidiary of the Company,

and any member of his family (including a spouse and former spouse, his child and parents) or any person who is or was dependent on him.

111.2 Share scheme

The Directors may establish, maintain and give effect to any scheme approved by the Company in general meeting for allotment of or the grant of options to subscribe for shares of the Company to any Directors, officers or employees of:

- (a) the Company; or
- (b) anybody corporate which is or has been a subsidiary of the Company,

and may exercise all the powers given to them by such scheme (including (without limitation) any power to alter or add to the provisions of such scheme) and this Constitution shall deemed to be modified as far as may be necessary to give effect to such scheme for the time being in force in respect of any share or shares for the time being in issue or under option subject to such scheme.

111.3 Power to act with others

The Directors may procure that any of the matters referred to in Clauses 111.1 and 111.2 be done by the Company either alone or in conjunction with any other person.

112. Directors' power to appoint attorney of the Company

The Directors may from time to time, and at any 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 Directors to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (including the power to sub-delegate but not exceeding those vested in or exercisable by the Directors under this Constitution) and for such period and subject to such conditions as the Directors may from time to time think fit, and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with any such attorney as the Directors think fit.

113. Cheques, bills etc.

All cheques, promissory notes, drafts, bills of exchange and other instruments (whether negotiable, transferable or not) and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors may from time to time determine by resolution.

114. Right to hold other office 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 with regard to his tenure of any such office or place of profit in any other respect nor shall any such contract, or any contract or arrangement entered into by or on behalf of any company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established PROVIDED ALWAYS that Sections 221 and 228 and all other relevant provisions of the Act and this Constitution are complied with.

115. Right to payment for professional services

Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he was not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as auditor of the Company.

116. As to the duty and liability of the Director

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

117. General duty to make disclosure

Every Director shall give notice to the Company of such events and matters relating to himself as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Act.

PROCEEDINGS OF DIRECTORS

118. Meetings of Directors

Subject to this Constitution, the Directors may meet together for the dispatch of business, adjourn and otherwise regulate their proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In the case of equality of votes, the Chairman of the meeting shall, subject to Clause 124, have a second or casting vote.

119. Calling of meetings

A Director may at any time summon a meeting of the Directors, and the Secretary, upon the request of the Chairman or any one (1) Director, shall convene a meeting of the Directors. Unless otherwise determined by the Directors, a seven (7) days' notice of all Directors' meetings shall be given to all Directors and their alternate Directors, except in the case of an emergency, where reasonable notice of the meeting shall be sufficient.

120. Irregularity in Notice

An irregularity in the notice of a meeting is waived if all Directors entitled to receive notice of the meeting attend the meeting without objection to the irregularity.

121. Quorum

The quorum necessary for the transaction of the business of the Directors shall be two (2) Directors for the time being. A person who holds office as an alternate Director shall, if his appointor is not present, be counted in the quorum. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretion for the time being exercisable by the Directors.

122. Participation of Directors' meeting by way of telephone and video conferencing

Any Director may participate at a meeting of Directors by way of telephone or video conferencing or by means of other communication equipment or electronic means which enable all persons participating at the meeting to hear and/or see each other for the entire duration of the meeting in which event such Director shall be deemed to be physically present at the meeting. A Director 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 Directors attending the meeting PROVIDED THAT at least one (1) of the Directors 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.

123. Election of Chairman

The Directors may from time to time elect one of their numbers to be a Chairman and may elect one (1) or more Deputy Chairman from their number and the Directors may determine the period for which such officers shall respectively hold office. If the Chairman is absent or unwilling or unable to act for any reason whatsoever or there is no Chairman, the Deputy Chairman (if any) or in the event that there are more than one (1) Deputy Chairman, the senior in appointment amongst them, shall preside as Chairman of a meeting of Directors. If such officers have not been appointed, or if no such officers are present within fifteen (15) minutes after the time appointed for holding of the meeting or unwilling or unable to act for any reason whatsoever, the Directors present shall choose one (1) of their number to be the Chairman of the meeting.

124. Chairman's casting vote

Subject to Clause 118, when two (2) Directors form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue, shall not have a second or casting vote.

125. Declaration of Interest and restriction of voting

A Director who is in any way, whether directly or indirectly interested in a contract or proposed contract or arrangement with the Company or other matters, shall declare the nature of his interest in accordance with the provisions of the Act. A Director shall not vote in respect of any contract or proposed contract or arrangement or matter which he has directly or indirectly, a personal interest and if he should do so, his vote should not be counted, but this prohibition shall not apply to:-

- (a) any arrangement for giving any Director any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company or any of its subsidiaries; 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 or any of its subsidiaries for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of a security.
- (c) in a case where the contract or proposed contract or arrangement or matter has been or will be made with or for the benefit of or on behalf of a related corporation that he is a Director of that corporation.

126. Directors retained from voting in interested transactions

Every Director shall comply with the provisions of Sections 219 and 221 of the Act in connection with the disclosure of his shareholding and interest in any contract or proposed contract with the Company and in connection with the disclosure of the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly duties or interests might be created in conflict with his duty or interest as a Director of the Company.

127. Directors appointed at a meeting to hold other office to be counted in the quorum

A Director notwithstanding his interest may be counted in the quorum present at any meeting whereat, he or any other Director is to be appointed to hold any office or place of profit in 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 in any other company or whereat the terms of any such appointment or arrangements as hereinbefore mentioned are considered, as he may vote on any such matter other than in respect of the appointment of or arrangements with himself or the fixing of the terms thereof.

128. General notice of interest in corporation by Company

A general notice given to the Board of Directors that a Director, alternate Director or Managing Director is a member of or interested in any specified firm or corporation with whom any contract is proposed to be entered into in relation to the affairs of the Company and is to be regarded as interested in all transactions with such firm or corporation shall be sufficient disclosure under this clause as regards such Director and the said transaction and after such general notice it shall not be necessary for such Director to give any special notice relating to any particular transaction with such firm or corporation.

129. Director's interest in corporation promoted by Company

A Director of the Company may be or become a Director or other officer of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a Director or officer of or from his interest in such corporation unless the Company otherwise directs at the time of his appointment. The Directors may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by them as Directors of such other corporation in such manner and in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the Directors or other officers of such corporation), and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or is about to be appointed a Director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in the manner aforesaid.

COMMITTEES OF DIRECTORS

130. Directors may establish committees etc.

The Directors may establish any committees, local boards or agencies, comprising of one (1) or more such member as members of its body, 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 other person or persons to be the member or members of any such committee or local board or agency and may fix their remuneration, and may delegate to any such committee or local board or agency any of these powers, authorities and discretion vested in the Directors, with power to sub-delegate, and may authorise the member or members of any such committee or local board, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no persons dealing in good faith without notice of any such annulment or variation shall be affected thereby.

131. Participation of committee meetings by way of telephone and video conferencing

Notwithstanding any provisions to the contrary contained in this Constitution, any member of a committee may participate at a committee meeting by way of telephone and video conferencing or by means of other communication' equipment or electronic means whereby all persons participating in the meeting are able to hear each other, in which event such member shall be deemed to be physically present at the meeting whether for the purposes of this Constitution or otherwise. 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.

132. Meeting of the committee

The meetings and proceedings of any such committee consisting of three (3) members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by a regulation made by the Directors under the last preceding Clause.

133. Proceedings of the committees

Subject to any rules and regulations made hereunder, a committee may meet and adjourn as it thinks proper, and questions arising at any meeting shall be determined by a majority of votes of the members present (if more than one (1)), and in the case of an equality of votes, the Chairman shall have a casting vote.

134. Chairman of the committees

A committee, local board or agency may elect a Chairman of its meetings, if no such Chairman is elected, or if at any meeting, the Chairman is not present within five (5) minutes after the time appointed for holding of the meeting, the members present may choose one (1) of their number to be the Chairman at the meeting.

VALIDATION OF ACTS OF DIRECTORS

135. Validation of acts of Directors or committee

All acts done by any meeting of the Directors or a Committee of Directors or by any person acting as a Director, local board or agency shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they, or any of them were disqualified, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee, local board or agency as aforesaid and had been entitled to vote.

CIRCULAR RESOLUTIONS

136. Circular Resolution

A resolution in writing signed or approved by letter, telegram, telex, facsimile or electronic means by majority of the Directors for the time being entitled to receive notice of a meeting of Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that where a Director is not so present but has an alternate who is so present, then such resolution shall also be signed by such alternate Director, a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity. 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 in writing may consist of several documents including facsimile or other similar means of communication, in similar form, each document shall be signed or assented to by one or more Directors or their alternates. A copy of any such resolution shall be entered in the minutes book of Board proceedings.

MANAGING DIRECTOR / EXECUTIVE DIRECTOR

137. Directors may appoint Managing Director and Executive Director

The Directors may from time to time appoint any one (1) or more of their body to any executive office (by whatever title called) including (without limitation) that of Managing Director, joint, deputy or assistant Managing Director, and/or Executive Directors upon such terms as they think fit, and may vest in such Managing Director and/or Executive Directors such of the powers hereby vested in the Directors generally as they may think fit and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions, and generally upon such terms as to remuneration and otherwise as they may determine; and may, from time to time revoke, withdraw, alter, or vary all or any of such powers but subject thereto, and may procure the Company to enter into a contract or arrangement with him for his employment or for the provision by him of any services outside the scope of the ordinary duties of a Director. Such Managing Director and/or Executive Directors shall always be under the control of the Boards.

138. Remuneration of Managing Director and Executive Director

The remuneration of the Managing Director and/or Executive Directors may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover.

139. Position of Managing Director

A Managing Director shall be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of Director he shall ipso facto and immediately cease to be a Managing Director, but without prejudice to any claim for damages which he may have for breach of any contract of service. The tenure by a Director of any other executive office or appointment shall not terminate on his ceasing to be a Director unless the terms of his appointment or this Constitution expressly otherwise provide.

MINUTES AND REGISTERS

140. Minutes

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

- (1) of all appointments of officers made by the Directors;
- (2) of the names of all the Directors present at each meeting of the Directors and of any Committee of Directors and of the Company in general meeting;
- (3) of all resolutions and proceedings of general meetings, of the holders of any class of shares in the Company and of meetings of the Directors and Committees of Directors; and
- (4) of all orders made by the Directors and any Committee of 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.

141. Manner of recording

Subject to the provision of the Act, any register, index, minutes, minutes book, books of accounts or other books required to be kept by this Constitution or the Act may be kept by making entries in bound books or by recording them in any other manner including (without limitation) by electronic means. In any case in which bound books are not used, the Directors shall take reasonable precautions for protection against falsification and for facilitating its discovery, protection or reproduction.

142. Register of Directors, Managers and Secretaries

The Company shall in accordance with the provisions of Section 57 of the Act, keep at the Office or such other place provided notice has been given to the Registrar of Companies, a register containing such particulars with respect to the Directors, managers and secretaries of the Company as are required by and shall from time to time notify the Registrar of Companies of any change in such register and of the date of such change in manner prescribed by that section.

143. Minutes books in registered office

The books containing the minutes of proceedings of any general meeting shall be kept by the Company at the Office or such other place provided notice has been given to the Registrar of Companies, and shall be open to the inspection of any Member without charge.

144. Registers of shareholders, particulars of Directors' shareholdings

The Company shall also keep at the Office or such other place provided notice has been given to the Registrar of Companies, a register which shall be open to the inspection of any Member without charge and to any other person on payment of such prescribed fee as may be determined by the Company, all such matters required to be so registered under the Act, and in particular:-

- (1) a register of substantial shareholders as required under Section 144 of the Act;
- (2) a register of the particulars of each of the Directors' shareholdings and interests as required under Section 59 of the Act.
- (3) a register of mortgages and charges as required under Section 357 of the Act;

145. Associate Director

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

THE SECRETARY

146. The Secretary

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

SEAL

147. The custody and the affixing of the Seal

The Directors shall provide for the safe custody of the Seal which shall only be used pursuant to a resolution of the Directors, or a committee of the Directors authorised to use the Seal. The Directors may from time to time (subject to the provisions of Clause 18 in relation to share and debenture stock certificates and debentures) make such regulations as they think fit determining the persons and the number of such persons in whose presence the Seal shall be affixed and, until otherwise so determined, every instrument to which the Seal shall be affixed shall (subject to Clause 18) be signed by a Director and either by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose PROVIDED ALWAYS that no person dealing with the Company shall be concerned to see or enquire as to whether any regulations so made have been complied with.

148. The share seal

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

SEAL FOR USE ABROAD

149. Seal for use abroad

The Company or the Directors on behalf of the Company may exercise the powers conferred by the provisions of the Act with regard to having an official Seal for use abroad and the powers conferred by the provisions of the Act with regard to the keeping of a branch Register.

RESERVES

150. Creation of reserve fund

The Directors may, before recommending any dividend, whether preferential or otherwise, set aside out of the profits of the Company such sums as they think proper as a reserve fund to meet depreciation or contingencies, or for equalising dividends or for the payment of special dividends, or for the general liquidation of any debt or liability of the Company or for repairing, improving or maintaining any of the property of the Company, or for such other purposes [being purposes for which the profits of the Company may lawfully be applied) as the Directors shall in their absolute discretion think conducive to the interest of the Company, and may invest the several sums so set aside upon such investments as they think fit [including purchasing shares in the Company to the extent and in the manner allowed by the Act and subject to the provisions of this Constitution) and from time to time vary or realise such investments and dispose of all or any part thereof for the benefit of the Company, and may divide any reserve fund into such special funds as they think fit, with all power to employ the assets constituting the reserve fund in the business of the Company, and that without being bound to keep the same separate from the other assets. The Directors may also, without placing the same to reserve, carry forward any profits which they may think prudent not to divide.

DIVIDEND

151. Payment of Dividends

The profits of the Company available for dividend and determined to be distributed shall be applied in the payment of dividends to the Members in accordance with their respective rights and priorities. The Company in general meeting may declare dividends accordingly.

152. Dividends payable from profits only

Without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided, no dividend shall be paid otherwise than out of profits nor shall any dividend or other monies payable on or in respect of any share bear interest against the Company and no dividend shall be paid in excess of the amount recommended by the Directors.

153. Dividends in proportion to amounts paid up

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

154. Dividends

The Directors may if they think fit from time to time pay to the Members such dividends as appear to the Directors to be justified by the profits of the Company. If at any time the share capital of the Company is divided into different classes the directors may pay such dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Directors act bona fide they shall not incur any responsibility to the holder of shares conferring any preferential rights for any damage that they may suffer by reason of the payment of a dividend on any shares having deferred or non-preferential rights. The Directors may also pay half- yearly or at other suitable intervals to be determined by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment.

155. 155.1 Debts may be deducted from dividends

The Directors may deduct from any dividend payable to any Member all sums of money (if any) immediately payable by him to the Company on account of calls or otherwise in relation to the shares of the Company held by him.

155.2 Power to retain dividends on which the Company has a lien

The Directors may retain any dividend or other moneys payable on or in respect of a share other than fully paid shares on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

156. Asset, business or property bought by the Company has a lien

Subject to the provisions of the Act where any asset, business or property is bought by the Company as from a past date upon the terms that the Company shall as from that date take the profits and bear the losses thereof, such profits or losses as the case may be, shall, at the discretion of the Directors, be credited or debited wholly or in part to revenue account, and in that case the amount so credited or debited shall, for the purpose of ascertaining the fund available for dividend, be treated as a profit or loss arising from the business of the Company and available for dividend accordingly. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest such dividend or interest when paid may at the discretion of the Directors be treated as revenue and it shall not be obligatory to capitalise the same or any part thereof.

157. Power to retain dividends in respect of transmission of shares

The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall

become a Member in respect of such shares or shall transfer the same.

158. Unclaimed dividends

All dividends unclaimed for more than one year after having been declared may be dealt with in accordance with the provisions of the Unclaimed Monies Act, 1965.

159. Transfer not to affect right to dividend declared before registration

Any dividend declared on Deposited Securities shall accrue to the Depositors whose names appear on the Record of Depositors issued to the Company or the Company's Share Registrar pursuant to the Rules.

160. Mode of payment of dividend

Any dividend, interest or other money payable in cash in respect of shares may be paid by way of direct transfer by means of the electronic payment systems upon terms and subject to conditions as the directors may stipulate or by cheque or warrant and sent through the post directed to the registered address of the holder or to such person and to such address as the holder may in writing direct or, if several persons are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person and to such address as such persons may by writing direct, subject to the Rules. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend represented thereby. Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented. No unpaid dividend or interest shall bear interest against the Company.

161. Power to distribute dividend in specie

Any general meeting declaring a dividend or bonus may upon the recommendation of the Directors, make direct payment of such dividend or bonus wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debenture or debenture stock of any other company, or in any one or more of such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in regard to the distribution the Directors may settle the same as they think expedient, and in particular may issue fractional shares and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payment shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustee upon such trusts for the persons entitled to the dividend as may seem expedient to the Directors.

CAPITALISATION OF PROFITS

162. Capitalisation of profits

The Company may, upon the recommendation of the Directors, by ordinary resolution resolve either unconditionally or subject to such conditions as it may deem fit that it is desirable to capitalise any sum standing or which will stand to the credit of the profit and loss account or otherwise available or which will become 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 to appropriate the sum resolved to be capitalised to the Members holding ordinary shares 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; their behalf, either in or towards paying the amounts (if any) for the time being unpaid on any shares held by such Members respectively, or paying up in full unissued shares or debentures of the Company, such shares or debentures to be allotted and distributed credited as fully paid up to and amongst such Members in the proportion aforesaid or partly in one way and partly in the other.

163. Appropriation and allotment

Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional shares or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorize any person to

enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members.

FINANCIAL STATEMENTS

164. Directors to keep proper financial statements

The Directors shall cause proper accounting and other records to be kept and shall distribute copies of financial statements and other documents as required by the Act and shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting and other records of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or paper of the Company except as conferred by statute or authorised by the Directors or by the Company in general meeting. Subject always to Section 47 of the Act the books of account or records of operations shall be kept at the Office or at such other place as the Directors think fit and shall always be open to inspection by the Directors.

165. Financial Statements to be made-up and laid before the Company

The Directors shall from time to time in accordance with Section 248 of the Act, cause to be prepared and laid before the Company in general meeting such financial statements and reports as are referred to in the section. A copy of each such documents shall not less than twenty-one (21) days (or such other shorter period as may be agreed by all Members entitled to attend and vote at the meeting) before the date of the meeting, be sent to every Member of, and to every holder of debentures of the Company under the provisions of the Act or of this Constitution. The requisite number of copies of each such document as may be required by the Exchange and Securities Commission shall at the same time be likewise sent to the Exchange and Securities Commission 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.

166. Lists or particulars of securities or investments

Save as may be necessary for complying with the provisions of the Act or as the. Company may by special resolution otherwise resolve, the Directors shall not be bound to publish any list or particulars of the securities or investments held by the Company or to give any information with reference to the same to any Member.

AUDIT

167. Appointment of auditors

Auditors shall be appointed in accordance with Section 271 of the Act and their duties regulated in accordance with Section 266 of the Act.

168. Validity acts of Auditors in spite of some formal defect

Subject to the provisions of the Act all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment

169. Auditors entitled to attend general meeting

The Auditors shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which any Member is entitled to receive, and to be heard at any general meeting on any part of the business of the meeting which concerns the Auditors.

LANGUAGE

170. Language

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

DESTRUCTION OF RECORDS

171. Company may destroy the documents

The Company shall be entitled to destroy. In any manner, all instruments of transfer which shall have been registered at any time after a reasonable time from the date of registration thereof, and all share certificates and dividend mandates which have been cancelled or have ceased to have effect at any time after the expiration of one (1) year from the date of cancellation or cessation thereof, and all notifications of change of name or address after the expiration of one (1) 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:-

- (1) 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; and
- (2) 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 Constitution.

AUTHENTICATION OF DOCUMENTS

172. 172.1 Appointed persons

Any Director or the Secretary of the Company or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the Constitution of the Company and any minutes of or any resolution passed by the Company or the Directors, any committee of Directors or any local board and any books, records, documents and accounts relating to the business of the Company, and to certify, copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are kept elsewhere other than in the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.

172.2 Certified copies of resolution of the Directors

A document purporting to be a copy of a resolution of the Directors or an extract from the minutes of a meeting of the Directors which is certified as such in accordance with the provisions of 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.

NOTICES OR DOCUMENTS

173. Mode of service of notice or other document

A notice or other document required to be sent by the Company to Members and/or Directors may be given by the Company or the Secretary to any Member or Director, as the case may be:-

- (a) in hard copy, either personally or by sending it through the post in prepaid letter addressed to such Member or Director at his registered address as appearing in the Register of Directors and/or the Records of Depositors, as the case may be, in Malaysia or (if he has no address within Malaysia) to the address, if any, within Malaysia supplied by him to the Company for the giving of notices or documents to him; or
- (b) in electronic form, and sent via the following electronic means:-
 - (i) transmitting to the last known electronic mail address of the Member or Director;
 - (ii) publishing the notice or document on the Company's website provided that a notification via hard copy or electronic mail to that effect is given in accordance with Section 320 of the Act and the Listing Requirements; or
 - (iii) using any other electronic platform maintained by the Company or third parties that can host the information in a secure manner for access by Members or Directors, provided that a notification via hard copy or electronic mail to that effect is given to the Members or Directors.

174. Deemed time of service of notice or other document

174.1 A notice or other document if served by post shall be deemed to be served in the case of a Member or Director having an address for service in Malaysia two (2) days following that on which a properly stamped letter containing the same is posted within Malaysia and in the case of a Member or Director having an address for service outside Malaysia five (5) days following that on which the letter suitably stamped at airmail rates containing the same is posted within Malaysia. In proving service by post it shall be sufficient to prove that the letter containing the notice or document was properly addressed and stamped and put into a Government post office letter box.

174.2 A notice or other document if served by electronic means:-

- (a) pursuant to Clause 173(b)(i), shall be deemed to have been served at the time of transmission to a Member's electronic mail address, provided that there is a record of the electronic mail being sent and that no written notification of delivery failure is received by the Company;
- (b) pursuant to Clause 173(b)(ii), shall be deemed to have been served two (2) days from the date the notification of publication of the notice or other document on the Company's website is given to the Members; or
- (c) pursuant to Clause 173(b)(iii), shall be deemed to have been served two (2) days from the later of the time the notification of the making available of the notice and/or document on the relevant electronic platform is served or deemed served, as the case may be, and the time the notice or other document is first made available or accessible to Members on the electronic platform.

174.3 In the event that service of a notice or other document pursuant to Clause 173(b) is unsuccessful, the Company must, within two (2) market days of discovering the delivery failure, make alternative arrangements for service by serving the notice or document by hard copy in accordance with Clause 173(a).

174.4 Last known address for service

The registered address in Malaysia (or if he has no address within Malaysia, to the address within Malaysia supplied by the Member or the Director of the Company for giving of notices or other documents to him) and electronic mail address of the Member and/or Director appearing in the Record of Depositors, Register of Members or Register of Directors, as the case may be, shall be deemed as the last known address for purposes of service of notices or documents to the Member or Director, as the case may be, by the Company.

175. Person entitled to shares by transfer, transmission, etc. bound by notices or documents

Every person who, by operation of law, transfer, transmission or other means whatsoever, shall become entitled to any share, shall be bound by every notice or document in respect of such share, which, previously to his name and address being entered in the Record of Depositors as the registered holder of such share, shall have been duly given to the person from whom he derives the title to such share PROVIDED ALWAYS that a person entitled to a share in consequence of the death or bankruptcy of a Member, upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address within Malaysia for the service of notices, shall be entitled to have served upon him at such address any notice or document to which the Member but for his death or bankruptcy would be entitled, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (as claiming through or under him) in the share.

176. Notice or document by post to persons entitled in consequence of death

Subject always to the provision of Clause 175, any notice or document delivered or sent by post to, or left at, the registered address of any Member shall, if such Member be then deceased, and whether or not the Company has notice of his death, be deemed to have been duly served on his legal personal representatives.

177. Persons entitled to notice of meeting of Members

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

- (a) every Member at his registered address as appearing in the Record of Depositors, as the case may be, in Malaysia, or (if he has no address within Malaysia) to the address, if any, within Malaysia supplied by him to the Company for the giving of notices to him;
- (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 auditor for the time being of the Company;
- (d) Directors for the time being of the Company; and
- (e) the Exchange.

177.2 Save as otherwise provided in the Applicable Laws of Malaysia, no other person shall be entitled to receive notice of general meetings.

177.3 Subject to the Applicable Laws of Malaysia, any notice issued on behalf of the Company or of the Board of Directors shall be deemed effectual if it purports to bear the signature of the Secretary or other duly authorised officer of the Company.

WINDING UP

178. Distribution in specie

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

179. Distribution in assets

Save that this Clause shall be without prejudice to the rights of holders of shares issued upon special terms and conditions, the following provisions shall apply:-

179.1 If the Company shall be wound up and the assets available for distribution among the Members as such, shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up at the

commencement of the winding-up, on the shares held by them respectively.

179.2 If in a winding-up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed among the Members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively.

179.3 Commission or fee to liquidators

On a voluntary winding up of the Company, no commission or fee shall be paid to a liquidator without the prior approval of the Members in general meeting. The amount of such commission or fee shall be notified to all Members not less than seven (7) days before the meeting at which it is to be considered.

SECURITY CLAUSE

180. Secrecy

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.

INDEMNITY

181. Indemnity to the Directors, Managing Director, Secretary etc.

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

RECONSTRUCTION

182. 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-up shares, debentures or securities of any other company, either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the 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 the Act as are incapable of being varied or excluded by this Constitution.

EFFECT OF LISTING REQUIREMENTS

183. 183.1 Notwithstanding anything contained in this Constitution, if the Listing Requirements prohibit an act being done, the act shall not be done.
- 183.2 Nothing contained in this Constitution prevents an act being done that the Listing Requirements require to be done.
- 183.3 If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- 183.4 If the Listing Requirements require this Constitution to contain a provision and it does not contain such a provision, this Constitution are deemed to contain that provision.

- 183.5 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.
- 183.6 If any provision of this Constitution is or becomes inconsistent with the Listing Requirements, this Constitution is deemed not to contain that provision to the extent of the inconsistency.
- 183.7 Nothing contained in this Constitution prevents an act being done that the Listing Requirements require to be done.

THE ACT, CENTRAL DEPOSITORIES ACT AND THE RULES

184. Compliance with Act, Central Depositors Act and Rules

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