

**THIS STATEMENT/CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the next course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has not perused the Share Buy-Back Statement, the Circular on Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed Adoption of New Constitution of the Company prior to its issuance as it is an exempt document pursuant to Practice Note 18 of Bursa Securities’ Listing Requirements. Bursa Securities takes no responsibility for the contents of this Statement/Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement/Circular. You should rely on your own evaluation to assess the merits and risks of this Share Buy-Back Statement/Circular.



(Company No.: 308279-A)  
(Incorporated in Malaysia)

**PART A**  
**SHARE BUY-BACK STATEMENT**  
in relation to

**PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY;**

**PART B**  
**CIRCULAR TO SHAREHOLDERS**  
in relation to

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

**PART C**  
**CIRCULAR TO SHAREHOLDERS**  
in relation to

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

**AND**

**NOTICE OF ANNUAL GENERAL MEETING**

The resolutions in respect of the above proposals will be tabled as Special Businesses at the Twenty-Fifth (25<sup>th</sup>) Annual General Meeting (“AGM”) of the Company to be held at 4<sup>th</sup> Floor, Wisma Kobay, No. 42-B, Jalan Rangoon, 10400 Georgetown, Penang on Thursday, 21 November 2019 at 2.30 p.m. or any adjournment thereof.

If you decide to appoint a proxy or proxies for the AGM, you must complete and lodge the Form of Proxy at the Registered Office of the Company at 3<sup>rd</sup> Floor, Wisma Kobay, No. 42-B, Jalan Rangoon, 10400 Georgetown, Penang, not later than forty-eight (48) hours before the time of the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting if you subsequently wish to do so.

Date of Record of Depositors for the purpose of : Wednesday, 13 November 2019 at 5.00 p.m.  
determining members entitlement to attend, vote  
and speak at the AGM

Last day and time for lodging the Form of Proxy : Tuesday, 19 November 2019 at 2.30 p.m.  
Date and time for the AGM : Thursday, 21 November 2019 at 2.30 p.m.

This Statement/Circular is dated 30 October 2019



## DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout the Circular and Statement (definitions denoting the singular number shall also include the plural number and vice versa, where applicable):-

“Act”	: The Companies Act 2016, as amended from time to time including any re-enactment thereof.
“AGM”	: Annual General Meeting
“Board”	: Board of Directors of the Company
“Bursa Securities”	: Bursa Malaysia Securities Berhad (635998-W)
“Code”	: The Malaysian Code on Take-overs and Mergers 2016 (including the Rules on Take-overs, Mergers and Compulsory Acquisitions), as amended from time to time and any re-enactment thereof
“CMSA”	: The Capital Markets and Services Act 2007, as amended from time to time and any re-enactment thereof
“Circular”	: This circular to the shareholders of Kobay dated 30 October 2019 in relation to the Proposals
“Constitution”	: Constitution of Kobay
“Director/(s)”	: Shall have the meaning given in section 2(1) of the CMSA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transactions were agreed upon, a director or chief executive of the listed issuer, its subsidiary or holding company
“EPS”	: Earnings Per Share
“FYE”	: Financial Year End
“KHSB”	: Kobay Holdings Sdn. Bhd. (280918-D)
“Kobay” or the “Company”	: Kobay Technology Bhd. (308279-A)
“Kobay Group” or the “Group”	: Kobay and its subsidiaries
“Listing Requirements”	: The Main Market Listing Requirements of the Bursa Securities and Practice Notes issued thereunder including any amendments thereto that maybe made from time to time.
“LPD”	: 30 September 2019, being the latest practicable date before the printing of this Statement

“Major Shareholder”	<p>: Includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, has an interest or interests in one or more voting shares in Kobay (or any other corporation which is its subsidiary) and the nominal amount of those shares, or the aggregate of the nominal amounts of those shares, is :-</p> <p>(a) 10% or more of the total number of all the voting shares in the Company; or</p> <p>(b) 5% or more of the total number of all the voting shares in the corporation where such person is the largest shareholder of the Company.</p> <p>For the purpose of the definition, “interest in shares” has the meaning given under section 8 of the Companies Act, 2016.</p>
“Market Day”	: A day on which Bursa Securities is open for trading of securities
“Proposed Share Buy-back”	: The proposed purchase by Kobay of its own shares on the Bursa Securities of up to 10% of the Company’s issued and paid-up share capital at any given point in time during the authorized period.
“Proposed Shareholders’ Mandate”	: Proposed Shareholders’ Mandate to be obtained by Kobay pursuant to Part E, Paragraph 10.09 subparagraph (2) of Chapter 10 of the Listing Requirements in relation to RRPTs
“Proposed Adoption”	: Proposed Adoption of new Constitution of Kobay Technology Bhd.
“Related Party(ies)”	: A director or major shareholder of Kobay or person connected with such a director or major shareholder as defined under Chapter 1.01 of the Listing Requirements of Bursa Securities
“RM” and “sen”	: Ringgit Malaysia and sen respectively
“RRPTs”	: Recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations of the Kobay Group, entered/to be entered into by Kobay and/or its subsidiary companies, which involves the interest, direct or indirect, of the related parties
“SC”	: Securities Commission Malaysia
“Substantial Shareholder”	: Having the meaning given under Section 136 of the Act
“share(s)”	: Ordinary share(s) of RM1 each
“Treasury Shares”	: Purchased Shares which are or will be retained in treasury by the Company and shall have the meaning given under Section 127 of the Act
“VWAP”	: Volume weighted average market price

All references to “you” and “your” in this Statement/Circular are to the shareholders of the Company.

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

Any reference in this Statement/Circular to any enactment is a reference to that amendment currently enforced and as may be amended from time to time and any re-enactment thereof.

Any discrepancies in the tables between the amounts listed in the tables are the totals in this Statement/Circular are due to rounding.

Any reference to a time of day in this Statement/Circular shall be a reference to Malaysian time, unless otherwise stated.

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## **PART A : STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

### **1. INTRODUCTION**

At the Company's Twenty-Fourth (24<sup>th</sup>) AGM held on 22 November 2018, the Board of Directors of Kobay had obtained its shareholders' approval to renew the authority for the Company to purchase and/or hold its own shares up to a maximum of ten per cent (10%) of the issued share capital of Kobay through Bursa Securities pursuant to Section 127 of the Act. This authority shall lapse at the conclusion of the forthcoming AGM which has been scheduled to be held on 21 November 2019.

On 15 October 2019, the Company has announced to Bursa Securities that it proposes to seek a renewal of the authorisation for the Proposed Share Buy-back from its shareholders at the forthcoming AGM.

THE PURPOSE OF THIS STATEMENT IS TO PROVIDE YOU WITH THE INFORMATION ON THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE RENEWAL OF THE AUTHORIZATION ON PROPOSED SHARE BUY-BACK TO BE TABLED AT THE TWENTY-FIFTH (25<sup>TH</sup>) AGM OF THE COMPANY TO BE CONVENED AT 4<sup>TH</sup> FLOOR, WISMA KOBAY, NO. 42-B, JALAN RANGOON, 10400 GEORGETOWN, PENANG ON THURSDAY, 21 NOVEMBER 2019 AT 2.30 P.M.

YOU ARE ADVISED TO READ THIS STATEMENT TOGETHER WITH THE APPENDIX BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY.

### **2. DETAILS OF THE PROPOSED SHARE BUY-BACK**

#### **2.1 Proposed Share Buy-back**

- 2.1.1. Kobay is proposing to renew the existing Share Buy-back Authority to purchase its own shares up to a maximum of ten per cent (10%) of the issued share capital at the forthcoming AGM subject to compliance with the provisions of the Act and any prevailing laws, rules, regulations, guidelines and requirements issued by relevant authorities at any time of the purchase.
- 2.1.2. Pursuant to the Listing Requirements, if the Proposed Share Buy-back Authority, being renewed, it will be continued in force until :-
  - (i) the conclusion of the next AGM of the Company at which time the authority shall lapse unless by ordinary resolution passed at that general meeting, the authority is renewed either unconditionally or subject to conditions;
  - (ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Sections 340 (1) & (2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
  - (iii) revoked or varied by ordinary resolution passed by Kobay's shareholders in a general meeting,whichever occurs first.
- 2.1.3. As at LPD, Kobay has 102,093,601 ordinary shares issued and fully paid up whereby no treasury shares held. The maximum number of shares can be purchased under the Proposed Share Buy-back, if renewed, will be 10,209,360 ordinary shares or 10% of the Company's issued share capital.



#### 2.1.4. Treatment of Purchased Shares

In accordance with Section 127 of the Act, the Board may, at its discretion, deal with the purchased Kobay shares in the following manner :-

- (i) cancel the purchased Kobay shares;
- (ii) retain the purchased Kobay shares as treasury shares; or
- (iii) retain part of the purchased Kobay shares as treasury shares and cancel the remainder of the purchased Kobay shares.

Where the purchased Kobay shares are held as treasury shares, the Board may :-

- (a) distribute all or part of the treasury shares as dividends to shareholder;
- (b) resell all or part of the treasury shares on Bursa Securities in accordance with the relevant prevailing rules of Bursa Securities;
- (c) transfer all or part of the treasury shares for the purposes of or under an employees' share scheme;
- (d) transfer all or part of the treasury shares as purchase consideration; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe.

Pursuant to Section 127(5) of the Act, the purchased Kobay shares unless held in treasury, shall be deemed to be cancelled immediately on purchase. Further, Section 127(8) of the Act provides that the holder of treasury shares shall not confer :

- (1) the right to attend and vote at meetings and any purported exercise of such rights is void; and
- (2) the right to receive dividends or other distribution, whether cash or otherwise of Kobay's assets including any distribution of assets upon winding-up of Kobay.

Kobay shall make an immediate announcement to Bursa Securities of any purchase/resale or cancellation of treasury shares. In the event Kobay wishes to purchase its own shares, Kobay is required to lodge a declaration of solvency to Bursa Securities and release an immediate announcement on the day the purchase is made.

#### 2.1.5. Pricing of Share Purchase

In accordance to Para 12.17 of the Listing Requirements, Kobay may only purchase its own shares listed on Bursa Securities at a price which is not more than 15% above the VWAP of the shares for the five (5) Market Days immediately before the date of the purchase/(s).

Pursuant to Paragraph 12.18 of the Listing Requirements, Kobay may only resell the treasury shares held on Bursa Securities at a price which is :-

- a. not less than the VWAP for Kobay shares for the five (5) Market Days immediately before the date of the resale; or
- b. at a discounted price of not more than 5% discount to the VWAP for the treasury shares for the five (5) Market Days immediately before the resale provided that the resale takes place not earlier than 30 days from the date of purchase and the resale price is not less than the cost of purchase of the shares being resold.

#### 2.1.6. Funding

The funding for the purchase by the Company of its own shares is expected to be internally generated. The Board will determine the allocation of an appropriate amount of the Group's internally generated funds for the purchase and the amount shall not exceed the aggregate balance standing in the retained profits account of the Company.

The actual number of shares to be purchased and the timing of such purchase(s) would depend on, inter-alia, market conditions, retained profits account of the Company as well as the availability of financial resources/funds necessary to give effect to such purchase(s).

Depending on the quantum and the purchase price, the Proposed Share Buy-back may reduce the working capital and cash balance of Kobay.

The amount allocated for the Proposed Share Buy-back shall not exceed the retained profits account of the Company. The audited retained profits account of the Company as at 30 June 2019 was RM30,141,897. The retained profit account of the Company in the management account as at 30 September 2019 was RM32,656,724.

## **2.2 Purchase, Resale and/or Cancellation of Treasury Shares**

During the last FYE 30 June 2019, the Company did not purchase any of its own shares. The Company did not hold any treasury shares hence no related resell or cancel during the financial year.

## **2.3 Rationale of the Proposed Share Buy-back**

The Proposed Share Buy-back would enable Kobay to utilise its financial resources, which are not immediately required, for the purpose of purchasing its own shares, if deemed fit and expedient by the Board. The Proposed Share Buy-back may enhance the EPS of the Company, which, in turn is expected to benefit the shareholders of the Company.

In addition, the purchased shares can be held as treasury shares and/or be resold on Bursa Securities to reap potential capital appreciation without affecting the issued share capital of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

## **2.4 Potential advantages and disadvantages of the Proposed Share Buy-back**

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

Advantages:-

- (i) allows the Company the flexibility in attaining its desired capital structure; and
- (ii) rewards the shareholders in the event the treasury shares are distributed as share dividends.

Disadvantages:

- (i) the Proposed Share Buy-back will reduce the financial resources of the Group and may result in the Group forgoing better investment opportunities that may emerge in the future; and
- (ii) as the Proposed Share Buy-back can only be made out of retained profits account of the Company, it may result in the amount available for distribution to shareholders as dividends in the immediate future.

The Board will be mindful of the Company's and its shareholders' interests in undertaking the Proposed Share Buy-back and in the subsequent resale of treasury shares on Bursa Securities, if any.

## **3. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK**

The effects of the Proposed Share Buy-back are illustrated below.

### 3.1 Share capital

The Kobay shares that may be purchased pursuant the Proposed Share Buy-back would have the following effect on the issued share capital of the Company if the shares purchased are cancelled entirely:-

	No. of Kobay Shares
Issued share capital as at LPD	102,093,601
Assuming maximum number of shares to be purchased under the Proposed Share Buy-back are cancelled	(10,209,360)
Reduced issued share capital in the event that the purchased shares are cancelled	91,884,241

However, there will be no effect on the issued and paid-up share capital of the Company if the shares so purchased are retained as treasury shares, resold, and/or distributed to shareholders as dividend.

### 3.2 Directors' and Substantial Shareholders' shareholdings

The effects of the Proposed Share Buy-back on the shareholdings of the Directors and Substantial Shareholders of Kobay would depend on the timing and the number of shares so purchased, if any. However, for illustration, the Proposed Share Buy-back would have the following effect on the percentage of the shareholdings of the Directors and Substantial Shareholders, assuming that a maximum number of 10,209,360 shares are purchased from the public :

#### 3.2.1. Directors

	As at LPD ^		After Proposed Share Buy-back @	
	Direct	Indirect	Direct	Indirect
Dato' Seri Koay Hean Eng	2,481,231 (2.43%)	26,284,510* (25.75%)	2,481,231 (2.70%)	26,284,510* (28.61%)
Koay Cheng Lye	1,588,492 (1.56%)	26,284,510* (25.75%)	1,588,492 (1.73%)	26,284,510* (28.61%)
Koay Ah Bah @ Koay Cheng Hock	1,326,997 (1.30%)	27,236,260# (26.68%)	1,326,997 (1.44%)	27,236,260# (29.65%)
Lim Swee Chuan	-	-	-	-
Dr. Mohamad Zabdi Bin Zamrod	-	-	-	-
Khaw Eng Peng	-	-	-	-

Note :

- \* Deemed interest by virtue of their substantial shareholdings in KHSB, a substantial shareholder of Kobay
- # Deemed interest by virtue of 26,284,510 shares held by company in which the director has interest and 951,750 shares held by his sons
- ^ The percentage of shareholding is calculated based on 102,093,601 shares as per Record of Depositors from the issued share capital of Kobay as at LPD
- @ The percentage of shareholding is calculated based on 91,884,241 shares after deducting 10,209,360 shares (being purchased from the public shareholders) from the issued capital of Kobay as stated in section 3.1 above

### 3.2.2. Substantial Shareholders

	As at LPD ^		After Proposed share buy-back @	
	Direct	Indirect	Direct	Indirect
KHSB	26,284,510* (25.75%)	-	26,284,510* (28.61%)	-
Norinv Kapital Sdn. Bhd.	19,904,700 (19.50%)	-	19,904,700 (21.66%)	-
Premiergrow Capital Sdn. Bhd.	7,939,000 (7.78%)	-	7,939,000 (8.64%)	-
Dato' Seri Koay Hean Eng	2,481,231 (2.43%)	26,284,510* (25.75%)	2,481,231 (2.70%)	26,284,510* (28.61%)
Koay Cheng Lye	1,588,492 (1.56%)	26,284,510* (25.75%)	1,588,492 (1.73%)	26,284,510* (28.61%)
Koay Ah Bah @ Koay Cheng Hock	1,326,997 (1.30%)	27,236,260# (26.68%)	1,326,997 (1.44%)	27,236,260# (29.65%)

Note :

- \* Deemed interest by virtue of their substantial shareholdings in KHSB, a substantial shareholder of Kobay
- # Deemed interest by virtue of 26,284,510 shares held by company in which the director has interest and 951,750 shares held by his sons
- ^ The percentage of shareholding is calculated based on 102,093,601 shares as per Record of Depositors from the issued share capital of Kobay as at LPD
- @ The percentage of shareholding is calculated based on 91,884,241 shares after deducting 10,209,360 shares (being purchased from the public shareholders) from the issued capital of Kobay as stated in section 3.1 above

### 3.3 Earnings

The Proposed Share Buy-back is not expected to have any material impact on the earnings of the Group. However, the resultant reduction in the number of Kobay shares in issue would be expected to correspondingly increase the EPS of Kobay, at Company and Group levels, if the shares so purchased are cancelled or retained as treasury shares.

### 3.4 Dividends

The Proposed Share Buy-back will reduce the amount of distributable reserves of the Company available for payment of dividends if the retained profits have been utilised to facilitate the Proposed Share Buy-back.

### 3.5 Net Assets

The Proposed Share Buy-back may increase or decrease the net assets of Kobay and the Group depending on various factors which include the treatment of the shares purchased, i.e. to cancel or retain as treasury shares, the timing, purchase price and the number of shares so purchased, if any, and the eventual treatment of any treasury shares arising.

The Proposed Share Buy-back will reduce the net assets per share of Kobay Group when the purchase price exceeds the net assets per share of Kobay Group at the relevant point in time. On the contrary, the net assets per share of Kobay Group will be increased when the purchase price is less than the net assets per share of Kobay Group at the relevant point in time.

### **3.6 Working capital**

Although the Proposed Share Buy-back would reduce the working capital of the Group to the extent of the amount of funds utilized for the purchase of the Company's shares, it is not expected to have an adverse material effect on the working capital of the Group.

### **4. PUBLIC SHAREHOLDINGS SPREAD**

According to the Record of Depositors and the Register of Substantial Shareholders of the Company as at LPD, the total percentage of the issued share capital of Kobay which is held by the public (in accordance with the public shareholding spread requirements of Bursa Securities pursuant to Paragraph 8.02) was 40.49% representing 41,338,720 shares in Kobay. Pursuant to the Proposed Share Buy-back renewal, the aforesaid public shareholding spread of Kobay would be reduced to approximately 33.88% representing 31,129,360 shares in Kobay based on the assumption that all the shares so purchased are from the public shareholders of Kobay.

### **5. IMPLICATIONS RELATING TO THE CODE**

Based on the shareholdings as set out in Section 3.2 above, should the Company acquire the full amount of shares representing ten per cent (10%) of its issued capital each in the maximum scenario, the total direct and indirect equity interests of the substantial shareholder, namely KHSB, and the Directors, namely Dato' Seri Koay Hean Eng, Mr. Koay Cheng Lye and Mr. Koay Ah Bah @ Koay Cheng Hock that deemed acting in concert with each other would increase by approximately 3.55% from 31.97% to 35.52% respectively.

Pursuant to Note 9 to Paragraph 4.01 under Part B, Rule 4 (Mandatory Offer) of the Code, a mandatory offer obligation arises when as a result of a buy-back scheme by the company :-

- (a) a person obtains controls in a company; or
- (b) a person holding more than 33% but not more than 50% of the voting shares or voting rights of a company, increases his holding of the voting shares or voting rights of the company by more than 2% in any 6-month period.

Therefore, KHSB and the said three (3) Directors would be obliged to undertake a mandatory offer for the remaining shares in the Company not held by them. It is not the intention of the Company to cause any shareholder to trigger an obligation to undertake a mandatory take-over offer under the Code.

KHSB and parties deemed acting in concert will seek a waiver from the obligation to undertake a mandatory take-over offer for the remaining Shares not already owned by them under Paragraph 4.15 under Part B, Rule 4 (Mandatory Offer) of the Rules at an appropriate time.

### **6. APPROVALS REQUIRED**

The Proposed Renewal of Share Buy-back Authority is subject to and conditional upon shareholders' approval at the forthcoming AGM.

The Proposed Renewal of Share Buy-back Authority is not conditional or inter-conditional upon any other corporate exercise being or proposed to be undertaken by the Company.

### **7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

Save for the inadvertent increase in the percentage shareholdings and/or voting rights of the shareholdings as a consequence of the Proposed Share Buy-back renewal, none of the Directors and major shareholders of Kobay or any other companies which is its subsidiary and/or persons connected with them has any interest, whether direct or indirect, in the Proposed Renewal of Share Buy-back Authority.

**8. DIRECTORS' STATEMENT AND RECOMMENDATION**

The Board of Directors having considered all aspects of the Proposed Renewal of Share Buy-back Authority, is of the opinion that the Proposed Renewal of Share Buy-back Authority is in the best interest of the Company and it is fair and reasonable and is not detrimental to the Company and its shareholders.

Accordingly, the Board of Directors recommends that you vote in favour of the resolution relating to the Proposed Renewal of Share Buy-back Authority to be tabled at the forthcoming AGM.

**9. AGM**

The Notice convening the Twenty-Fifth (25<sup>th</sup>) AGM of the Company is enclosed herein. The AGM will be held at 4<sup>th</sup> Floor, Wisma Kobay, No. 42-B, Jalan Rangoon, 10400 Georgetown, Penang on Thursday, 21 November 2019 at 2.30 p.m..

If you are unable to attend and vote at the AGM in person, please complete, sign and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event, so as to arrive at the Registered Office of the Company at 3<sup>rd</sup> Floor, Wisma Kobay, No. 42-B, Jalan Rangoon, 10400 Georgetown, Penang not later than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

**10. FURTHER INFORMATION**

Shareholders are advised to refer to the attached Appendix of this Statement for further information.

This Statement is dated 30 October 2019.

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**Registered office :**  
3<sup>rd</sup> Floor, Wisma Kobay,  
No. 42-B Jalan Rangoon,  
10400 Georgetown,  
Penang.

Date : 30 October 2019

**Board of Directors :-**

Dr. Mohamad Zabdi Bin Zamrod (*Chairman / Independent and Non-executive Director*)  
Dato' Seri Koay Hean Eng (*Managing Director / Chief Executive Officer*)  
Koay Cheng Lye (*Executive Director / Chief Administrative Officer*)  
Lim Swee Chuan (*Executive Director / Chief Financial Officer*)  
Koay Ah Bah @ Koay Cheng Hock (*Non-Independent and Non-executive Director*)  
Khaw Eng Peng (*Senior Independent and Non-executive Director*)

**To : Our Shareholders**

Dear Sir/Madam,

**PART B : PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**1. INTRODUCTION**

The Board of Kobay had on 15 October 2019 announced to the Bursa Securities that the Company proposed to seek from its shareholders a mandate in accordance with Paragraph 10.09 of the Listing Requirements in relation to the Proposed Renewal of Shareholders' Mandate on RRPTs as set out in Part B Section 2.4 of this Circular.

The Proposed Shareholders' Mandate, if approved by our shareholders, will take effect from the passing of the relevant ordinary resolution at our Twenty-Fifth (25<sup>th</sup>) AGM and is subject to annual renewal.

The purpose of this Circular is to provide you with relevant details of the Proposed Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature together with our Board's recommendations thereon and to seek your approval for the ordinary resolution to be tabled at our forthcoming AGM.

**YOU ARE ADVISED TO READ THIS CIRCULAR TOGETHER WITH THE APPENDIX CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE.**

The Notice of AGM together with the accompanying Form of Proxy are enclosed in this Circular.

## **2. PROPOSED SHAREHOLDERS' MANDATE**

### **2.1 Introduction**

Under Paragraph 10.09 and the Practice Note 12 of the Listing Requirements, the Company may seek shareholders' mandate in respect of RRPTs subject to the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under subparagraph (1) of 10.09 of Listing Requirements;
- (c) the listed issuer's circular to shareholders for the shareholders' mandate shall include the information as set out in Annexure PN12-A of Practice Note 12 ;
- (d) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) the listed issuer immediately announces to the Exchange when the actual value of a Recurrent Related Party Transaction entered into by the listed issuer, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular by 10% or more and must include the information as may be prescribed by the Exchange in its announcement.

Where the listed issuer has procured a shareholders' mandate pursuant to paragraph 10.09(2) of the Listing Requirements, the provisions of paragraph 10.08 of the Listing Requirements will not apply during the validity period of the shareholders' mandate.

### **2.2 Principal activities of the Kobay Group**

Kobay is principally an investment holding and management services company, whilst the principal activities of its subsidiaries which are/will be dealing with the transacting parties are as follows:-

<b>Subsidiary companies</b>	<b>Country of incorporation</b>	<b>Effective equity interest</b>	<b>Principal activities</b>
Paradigm Metal Industries Sdn. Bhd. ("PMI")	Malaysia	100%	Manufacturing of precision metal stamping, sheet metal and die casting parts
Paradigm Precision Components Sdn. Bhd. ("PPC")	Malaysia	100%	Manufacturing of precision machined components



## 2.3 Details of transacting parties

The details of the transacting parties with whom the Kobay Group is/will be transacting with are as follows:-

Company	Country of incorporation	Relationship	Principal activities
UA Materials Sdn. Bhd. (“UA”)	Malaysia	Dato’ Seri Koay Hean Eng, being the Director of Kobay Group and UA and persons connected to him are also directors and major shareholders of UA	Trading in commodities particularly in metal products

### *Nature of relationship of the Interested Parties*

- a) Dato’ Seri Koay Hean Eng is a Director of Kobay and UA. He is deemed interested by virtue of his direct interest in Kobay and via Kobay Holdings Sdn. Bhd, the major shareholder of Kobay
- b) Dato’ Seri Koay Hean Eng and persons connected to him which are his son, Koay Wei Keong and his daughter, Dennycia Koay Zee Wei are all Directors of UA
- c) Dato’ Seri Koay Hean Eng and his son, Koay Wei Keong respectively holding 50% equity interest each in UA

## 2.4 Details of the Proposed Shareholders’ Mandate

The RRPTs which are carried out with the Related Parties are mainly for its day-to-day operations. The Related Parties are reliable suppliers of goods and services required by the Kobay Group.

The RRPTs are to be entered into at arm’s length based on Kobay’s normal commercial terms and are not prejudicial to the shareholders nor they are on terms more favourable to the Related Parties than those generally available to the public and are also not to the detriment of the minority shareholders of the Company. Such RRPTs will be subject to the review procedures as set out Section 2.8 of this Circular.

The Company is seeking the shareholders’ mandate for transactions to be entered into with Related Parties from the date of the forthcoming AGM up to the date of the next AGM as set out of this Circular.

The details of the RRPTs are set out below:-

Companies within the Kobay Group	Transacting parties	Interested parties	Nature of transactions	Estimated value as disclosed in the Circular to Shareholders dated 30 October 2018 RM	Actual value transacted from the date on which existing mandate was obtained up to LPD RM	*Estimated aggregate value from date of the forthcoming AGM to the date of the next AGM RM
PMI	UA	Dato' Seri Koay Hean Eng & persons connected	Purchase of aluminium and other materials by PMI from UA	2,000,000	988,684	3,500,000
PPC	UA	Dato' Seri Koay Hean Eng & persons connected	Purchase of aluminium and other materials by PPC from UA	1,000,000	443,883	1,500,000
<b>TOTAL</b>						<b>5,000,000</b>

Notes:- \* The estimated transaction values for the period from the date of the forthcoming AGM up to the date of the next AGM are based on the information available at the point of estimation which includes business trend, agreement, orders, project estimate cost and sales forecast. Due to the nature of the transactions, the actual value of transactions may vary from the estimated value disclosed above

## 2.5 Validity period

If approved at the forthcoming AGM, the Proposed Shareholders' Mandate, which is subject to annual renewal, will take effect from the date of the passing of the Ordinary Resolution thereto and will continue to be in force until:-

- the conclusion of the next AGM of the Company at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Sections 340 (1) & (2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is earlier.

## 2.6 Rationale for and benefit of the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate is to enable Kobay to seek mandate for the RRPTs to be entered into by the Group. The RRPTs are necessary for the day-to-day operations of the Group and contribute to its operational sales revenue. By obtaining the Proposed Shareholders' Mandate and where appropriate, the subsequent renewal thereof on an annual basis, the necessity to announce or convene separate general meetings from time to time to procure shareholders' prior approval for such transactions will not arise. This will reduce substantially the administrative time and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

## 2.7 Financial effects of the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate will not have any effect on the issued share capital and major shareholders' shareholdings of Kobay, and are not expected to have any effect on the earnings and net assets of Kobay for the financial year ending 30 June 2020.

## 2.8 Review procedures

To ensure that the RRPTs are undertaken on arm's length basis and on normal commercial terms, which are consistent with Kobay's usual business practices and policies (taking into consideration the prevailing market rate/prices of products/services rendered, preferential rates and discounts for bulk purchases by Related Parties) and are on terms not more favourable to the Related Parties than those extended to third parties/the public and are not to the detriment of the minority shareholders of Kobay, the Audit and Risk Management Committee ("ARMC") has been tasked with the review and approval of such transactions.

The ARMC currently comprises of:-

<u>Name</u>	<u>Directorate/Position in ARMC</u>
Khaw Eng Peng	Independent Non-Executive Director/Chairman
Dr. Mohamad Zabdi Bin Zamrod	Independent Non-Executive Director/Member
Koay Ah Bah @ Koay Cheng Hock	Non-independent Non-executive Director/Member

To monitor the RRPTs, the following review procedures have been implemented by the Company:-

- (i) records will be maintained by the Company to capture all RRPTs which are entered into pursuant to the 10.09(2) threshold which was adopted by the Group and shareholders' mandate, if any;
- (ii) all members of the Board and Audit and Risk Management Committee who are directly or indirectly interested in any RRPTs shall declare their interest and abstain from deliberations and voting in respect of these RRPTs;
- (iii) the internal auditor will review the terms of the RRPTs as part of the annual audit activities;
- (iv) records, agreements, contracts and other relevant documents on all RRPTs will be made available to the Audit and Risk Management Committee for review;
- (v) transaction prices of such RRPTs to be entered into will always take into account the level of service (ie. in terms of the complexity of jobs), quality of service (ie. in terms of on time delivery and quality of products) and on competitive pricing in the open market and are not more favourable to the Related Parties than those generally available to the public and will not be detrimental to minority shareholders. Whenever possible, at least two other contemporaneous transactions with unrelated third parties for similar products/services will be used as comparison to determine whether the price and terms offered by Related Parties are fair and reasonable. The RRPTs will be subjected to the same approval thresholds applicable for the other non-related parties transactions; and

- (vi) the Audit and Risk Management Committee will review quarterly, the RRPTs that may arise within the Group to ensure that such transactions will be carried out at arm's length, and on normal commercial terms, and the terms are not more favourable than those generally available to the public and are not to the detriment of the minority shareholders. The Audit and Risk Management Committee shall assist to ascertain that all procedures established to monitor RRPTs have been complied with.

## **2.9 Disclosure**

Disclosure will be made in the Company's Annual Report of the breakdown of the aggregate value of transactions conducted, types of transactions made, names of related parties involved and their relationship with the Company pursuant to the Proposed Shareholders' Mandate during the financial year, and in the Annual Reports for subsequent financial years that the Proposed Shareholders' Mandate continues to be in force.

## **2.10 Amount Due and Owing By Related Parties**

At the end of financial year ended 30 June 2019, there is no amount due and owing by Related Party under the Recurrent Related Party Transactions.

## **2.11 Statement by the Audit and Risk Management Committee**

The Audit and Risk Management Committee of Kobay has considered the review procedures mentioned in Section 2.8 above and is of the view that the said procedures are adequate to ensure that all RRPTs will be identified, tracked, monitored and carried out at arm's length basis, and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

The Audit and Risk Management Committee may, at its discretion adopt new review and disclosure procedures and/or amend the existing procedures to ensure that the RRPTs are at all times, on the terms consistent with the Group's practices.

## **2.12 Approval required**

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

All Recurrent Related Party Transactions within Kobay Group of which have not included in this Proposed Shareholders' Mandate and exceeding the threshold set in Paragraph 10.09 of the Listing Requirements will need to obtain Kobay Board of Directors' approval and shall make immediate announcement to Bursa Securities pursuant to the Listing Requirements.

## **2.13 Interests of Directors, major shareholders and/or persons connected with them**

The interested Director in Kobay Group, Dato' Seri Koay Hean Eng and/or person connected to Directors or major shareholders, Kobay Holdings Sdn. Bhd. have direct and indirect shareholdings in Kobay as at LPD. The shareholding information is available at section 3.2 of the Share Buy-back Statement.

All Directors and/or person connected to Directors who are deemed to be interested in the Proposed Shareholders' Mandate have abstained and will continue to abstain from all Board deliberations and voting on the RRPTs at the relevant Board of Directors' Meetings. All major shareholders and/or person connected to major shareholders who are deemed to be interested in the Proposed Shareholders' Mandate will also abstain from voting in respect of their direct and/or indirect shareholdings in Kobay on the resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM of the Company.

The interested Directors and/or major shareholders have undertaken to ensure that persons connected to them shall abstain from voting on the resolution relating to the Proposed Shareholders' Mandate at the forthcoming AGM.

Save as disclosed above, none of the other Directors and/or major shareholders of Kobay and/or persons connected with them have any interest, direct or indirect in the RRPTs.

**3. DIRECTORS' RECOMMENDATION**

The Board of Directors, other than the interested Director is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Company. Accordingly, the aforesaid Directors recommend that you vote in favour of the resolution relating to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

**4. AGM**

The Notice convening the Twenty-Fifth (25<sup>th</sup>) AGM of the Company is enclosed herein. The AGM will be held at 4<sup>th</sup> Floor, Wisma Kobay, No. 42-B, Jalan Rangoon, 10400 Georgetown, Penang on Thursday, 21 November 2019 at 2.30 p.m..

If you are unable to attend and vote at the AGM in person, please complete, sign and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event, so as to arrive at the Registered Office of the Company at 3<sup>rd</sup> Floor, Wisma Kobay, No. 42-B, Jalan Rangoon, 10400 Georgetown, Penang not later than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

**5. FURTHER INFORMATION**

Shareholders are advised to refer to the attached Appendix of this Circular for further information.

Yours faithfully  
For and on behalf of the Board of  
Kobay Technology Bhd.,

Dr. Mohamad Zabdi Bin Zamrod  
Independent Non-executive Chairman

**Registered Office**  
3<sup>rd</sup> Floor, Wisma Kobay  
No. 42-B, Jalan Rangoon  
10400 Georgetown  
Penang

Date: 30 October 2019

**Board of Directors:**

Dr. Mohamad Zabdi Bin Zamrod (*Chairman / Independent and Non-executive Director*)  
Dato' Seri Koay Hean Eng (*Managing Director / Chief Executive Officer*)  
Koay Cheng Lye (*Executive Director / Chief Administrative Officer*)  
Lim Swee Chuan (*Executive Director / Chief Financial Officer*)  
Koay Ah Bah @ Koay Cheng Hock (*Non-Independent and Non-executive Director*)  
Khaw Eng Peng (*Senior Independent and Non-executive Director*)

**To: Our Shareholders**

Dear Sir/Madam,

**PART C : PROPOSED ADOPTION OF THE NEW CONSTITUTION OF KOBAY TECHNOLOGY BHD.**

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**1. INTRODUCTION**

The Board had on 15 October 2019 announced that the Company proposed to seek its shareholders' approval for the PROPOSED ADOPTION.

THE PURPOSE OF THIS CIRCULAR TOGETHER WITH THE APPENDICES IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY TOGETHER WITH THE RECOMMENDATION OF YOUR BOARD AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED ADOPTION TO BE TABLED AT THE FORTHCOMING AGM OF THE COMPANY. THE NOTICE OF AGM TOGETHER WITH THE PROXY FORM ARE SET OUT IN THIS CIRCULAR.

SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ADOPTION TO BE TABLED AT THE FORTHCOMING AGM.

**2. DETAILS OF THE PROPOSED ADOPTION**

The Board proposes that the Company revokes its existing Constitution ("Articles of Association") in entirety with immediate effect and in place thereof, adopt a new Constitution, taking into account the Act which came into force on 31 January 2017 and the updated provisions of the Main Market Listing Requirements of Bursa Securities.

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

### **3. RATIONALE FOR THE PROPOSED ADOPTION**

The Proposed Adoption is undertaken primarily to streamline the existing Constitution (“Articles of Association”) with the Act, which took effect on and from 31 January 2017, the Listing Requirements and the prevailing statutory and regulatory requirements, and also to provide clarity and consistency throughout the new Constitution of the Company.

### **4. EFFECTS OF THE PROPOSED ADOPTION**

The Proposed Adoption of Constitution will not have any effect on the issued and paid-up share capital, substantial shareholdings, net assets per share, dividend policy, gearing and earnings and earnings per share of Kobay.

### **5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

None of the Directors, major shareholders of Kobay and/or person connected to them have any interest, directly or indirectly, in the Proposed Adoption.

### **6. DIRECTORS’ STATEMENT AND RECOMMENDATION**

The Board, having considered the Proposed Adoption, is of the opinion that the Proposed Adoption are in the best interest of the Company and shareholders.

Accordingly, the Board recommends that you vote in favour of the special resolution pertaining to the Proposed Adoption to be tabled at the forthcoming AGM.

### **7. APPROVALS REQUIRED**

The Proposed Adoption is subject to the approval being obtained from the shareholders of Kobay at the forthcoming AGM by way of Special Resolution.

### **8. AGM**

The Special Resolution on the Proposed Adoption of the New Constitution of the Company will be tabled as Special Business at the Twenty-Fifth (25<sup>th</sup>) AGM of the Company. The Notice convening the 25<sup>th</sup> AGM of the Company is enclosed herein. The AGM will be held at 4<sup>th</sup> Floor, Wisma Kobay, No. 42-B, Jalan Rangoon, 10400 Georgetown, Penang on Thursday, 21 November 2019 at 2.30 p.m..

If you are unable to attend and vote at the AGM in person, please complete, sign and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event, so as to arrive at the Registered Office of the Company at 3<sup>rd</sup> Floor, Wisma Kobay, No. 42-B, Jalan Rangoon, 10400 Georgetown, Penang not later than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

### **9. FURTHER INFORMATION**

Shareholders are requested to refer to the attached Appendices for further information.

Yours faithfully  
For and on behalf of the Board of  
Kobay Technology Bhd.,

Dr. Mohamad Zabdi Bin Zamrod  
Independent Non-executive Chairman

**FURTHER INFORMATION****1. RESPONSIBILITY STATEMENT**

The Directors have seen and approved this Statement/Circular and they have collectively and individually accepted full responsibility for the accuracy of the information in this Statement/Circular. They have confirmed that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make a statement in this Statement/Circular false or misleading.

**2. MATERIAL CONTRACT**

Save for the below, there is no material contract, not being contract entered into in the ordinary course of business, which has been entered into by the Group within the past two (2) years immediately preceding the date of this Statement/Circular.

- (a) Paradigm Aerospace Sdn. Bhd. (Company No.: 1258406-W), the wholly owned subsidiary company of Kobay Industries Sdn. Bhd. (Company No.: 491485-V) ("Kobay Industries"), for which Kobay Industries is the wholly owned subsidiary Company of Kobay, had on 14 March 2018 entered into a Sale & Purchase Agreement to purchase all that piece of leasehold property identified as PT1529, Mukim 01, Seberang Perai Tengah, Penang held under H.S.(D) 33005, together with three manufacturing buildings and a 2-storey office erected thereon for a cash consideration of RM16,000,000 from Messrs. Bright Entity Sdn. Bhd. (Company No.: 797701-U).

**3. MATERIAL LITIGATION**

Neither the Company nor the subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position or business, and the Company is not aware of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings which may materially affect the financial position or business, as at the date of this Circular/Statement.

**4. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office at 3<sup>rd</sup> Floor, Wisma Kobay, No. 42-B, Jalan Rangoon, 10400 Georgetown, Penang, Malaysia during office hours on Mondays to Fridays (except public holidays) from the date of this Statement/Circular up to and including the date of the forthcoming AGM:

- (i) The existing Memorandum and Articles of Association,
- (ii) The audited consolidated financial statements for the past two (2) years for FYE 30 June 2018 and FYE 30 June 2019.
- (iii) Material Contract referred to in Section 2 above.



**THE COMPANIES ACT 2016**

**MALAYSIA**

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**A PUBLIC COMPANY LIMITED BY SHARES**

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**CONSTITUTION**

**OF**

**KOBAY TECHNOLOGY BHD.**

(308279-A)

(Incorporated on the 18<sup>th</sup> day of July, 1994)

THE COMPANIES ACT, 2016  
PUBLIC COMPANY LIMITED BY SHARES  
**CONSTITUTION**  
**OF**  
**KOBAY TECHNOLOGY BHD.**  
**(308279-A)**

1. The name of the Company is **KOBAY TECHNOLOGY BHD. (308279-A)**.
2. The Registered Office of the Company is situated in Malaysia.
3. The Company has the full rights, powers and privileges given by Section 21 of the Act.
4. The liability of the members is limited.
5. The share capital of the Company is its issued share capital. The shares in the original or any increased capital may be divided into several classes and may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.
6. The Company shall have all the powers conferred on it by Section 21 of the Act without prejudice to and without in any way limiting or prejudicing any such powers, the powers of the Company may include the following :-
  - (a) borrow or raise or secure the payment of money in such manner as the Company may think fit and to secure the same or the repayment or performance of any debt liability contract guarantee or other engagement incurred or to be entered into by the Company in any way and in particular by the issue of debentures perpetual or otherwise, charged upon all or any of the Company's property (both present and future), including its uncalled capital; and to purchase redeem, or pay off any such securities.
  - (b) draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, and other negotiable or transferable instruments.

**INTERPRETATIONS**

- 7 In this Constitution unless the subject matter or context dictates otherwise, the following words and phrases shall have the meaning assigned to them herein:
  - (a) "Act" means the Companies Act, 2016 and any statutory modification, amendment or re-enactment thereof for the time being in force.
  - (b) "Board" means the Directors of the Company who number not less than the required quorum acting as a Board of Directors.
  - (c) "CMSA" means the Capital Markets and Services Act 2007 and any statutory modification, amendment or re-enactment thereof.
  - (d) "Convertible securities" means securities which are convertible or exercisable by their terms of issue, into shares.
  - (e) "Constitution" means this constitution as originally framed or as altered from time to time by special resolution.
  - (f) "Deposited Security/(ies)" means a security standing to the credit of a Securities Account and includes a security in a Securities Account that is in suspense.
  - (g) "Market Day" means any day of which the Exchange is open for trading in securities.
  - (h) "Depositor" means a holder of Securities Account established by the Depository.

- (i) “Deposited Security” means a security which is in the Depository Securities.
- (j) “Depository” means Bursa Malaysia Depository Sdn. Bhd. or such other central depository as may be prescribed under the Listing Requirement.
- (k) “Director” means the Directors for the time being of the Company.
- (l) “Dividend” includes bonus issue.
- (m) “Exchange” means the Bursa Malaysia Securities Berhad or such other stock exchange on which the Company is listed.
- (n) “Listing Requirements” means Listing Requirements of Bursa Malaysia Securities Berhad including any amendment thereto that may be made from time to time.
- (o) “Member” includes a Depositor who shall be treated as if he were a member pursuant to Section 35 of the Securities Industry (Central Depositories) Act but excludes the Depository in its capacity as a bare trustee unless otherwise expressed to the contrary.
- (p) “Office” means the registered office for the time being of the Company.
- (q) “Record of Depositors” means the record provided by the Depository to the Company or its registrar or its issuing house in accordance with the provision of the SICDA and the Rules.
- (r) “Rules” means the Rules of the Depository or any statutory modification, amendment or re-enactment thereof for the time being in force.
- (s) “Seal” means the Common Seal of the Company.
- (t) “Secretary” means any person or persons appointed to perform the duties of the secretary of the Company in accordance with the Act and shall include a joint, temporary, assistant or deputy secretary.
- (u) “Securities” includes any securities which fall within the definition of/meaning assigned to “securities” in CMSA.
- (vi) “Securities Account” means an account established by the Depository for a depositor for the recording of deposit or withdrawal of securities and for dealings in such securities by the depositor as permitted the Rules.
- (w) “SICDA” means the Securities Industry (Central Depositories) Act 1991 and any statutory modification, amendment or re-enactment thereof.
- (x) “Shares” means shares in the Company.
- (y) “UCA” means Unclaimed Monies Act 1965 and any statutory modification or re-enactment thereof.

Reference to “writing” shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words, letter, figures or marks in visible for or in any other form or manner, whether in hard copy or in electronic form sent by way of an electronic communication or otherwise in a form that allows the document and/or information to be easily accessible and reproduced into written, electronic or in a visible form.

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

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.

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

Wherever any provision of this Constitution requires that a communication as between the Company, its Directors or members be effected in writing, the requirement may be satisfied by the communication being given in the electronic form.

Where this Constitution refers to clear days the number of days does not include the two (2) days between which the interval is measured. For example, if notice is required to be given a number of clear days before a meeting, neither the date of the notice is delivered, or treated as being delivered, nor the date of the meeting is taken into account.

The provisions set out in the Act which may be modified or substituted by the provisions of this Constitution shall not apply to the Company, except so far as the same are repeated or contained in this Constitution.

## **SHARE CAPITAL AND VARIATION OF RIGHTS**

8. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the Act, the Listing Requirements, the SICDA and to the conditions, restrictions and limitations expressed in this Constitution, the Directors may allot, grant options to subscribe or otherwise dispose of the unissued shares in the Company to such persons, at such time and on such terms and conditions, with such preferred or deferred or other special rights as they may deem proper, PROVIDED ALWAYS THAT:-
  - (a) no shares shall be issued which will have the effect of transferring a controlling interest in the Company without the prior approval of the members in general meeting;
  - (b) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution;
  - (c) no director shall participate in a scheme that involves a new issuance of shares or other convertible securities to employees unless the members of the Company have approved the specific allotment to be made to such director; and
  - (d) in the case of shares offered to the public or offered pursuant to a prospectus that is registered under CMSA 2007, for subscription, the amount payable on application on each share shall not be less than five per cent (5%) of the offer price of the share.
9. Subject to any direction to the contrary that may be given by the Company in meeting of members, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of meeting of members 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 the 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 so dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.
10. Subject to the Act and this Constitution, any preferential shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed provided that:-
  - (a) the holders of preference shares have the same rights as the holders of ordinary shares in relation to receiving notices, reports and audited financial statements and attending meeting of members of the Company but shall only have the right to vote at any meeting convened for the purpose of reducing the Company share capital, or on a proposal to wind up the Company, or sanctioning the disposal of the whole of the Company's property, business and undertaking or where the proposition to be submitted to the meeting directly affects the rights and privileges attached to the share, or when the dividend or part of the dividend on such shares is in arrears for more than six (6) months and during the winding up of the Company;
  - (b) the holder of a preference share shall be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up;
  - (c) the Company shall not, without the consent of the existing preference members at a class meeting, issue further preference capital ranking in priority above the preference shares already issued but may issue preference shares ranking equally therewith; and
  - (d) any preference share may subject to conversion, with the sanction of an ordinary resolution.
11. Subject to the provision of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to any class may, whether or not the Company is being wound up, be varied with the consent in writing of the holders representing no less than seventy-five percent (75%) of the total voting rights of the members in that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class.

12. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, under 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 *pari passu* therewith.
13. (1) The Company may, by notice in writing, require any member of the Company within such reasonable time as is specified in the notice:-
- (a) to inform the Company whether he holds any voting shares in the Company as beneficial owner or as trustee; and
  - (b) if he holds the voting shares as trustee, to indicate so far as he can, the persons from whom he holds the voting shares by name and by other particulars sufficient to enable those persons to be identified and the nature of their interest.
- (2) Where the Company is informed in pursuance of a notice given to any person under subparagraph (i) of this Clause or under the subsequent that any other person has an interest in any of the voting shares in the Company, the Company may by notice in writing require the other person within such reasonable time as is specified in the notice:
- (a) to inform it whether he holds that interest as beneficial owner or as trustee; and
  - (b) if he holds the interest as trustee, to indicate so far as he can, the persons for whom he holds the interest by name and by other particulars sufficient to enable them to be identified and the nature of their interest.
- (3) The Company may, by notice in writing, require a member of the Company to inform it, within such reasonable time as is specified in the notice, whether any of the voting rights carried by any voting shares in the Company held by him are the subject of an agreement or arrangement under which another person is entitled to control his exercise of these rights and if so, to give particulars of the agreement or arrangement and the parties to the agreement and arrangement.
14. Subject to and in accordance with the Act and the regulation made pursuant thereto, the Listing Requirements and the guidelines issued by the Stock Exchange and any other relevant authorities, the Company shall be entitled at any time and from time to time and on any terms it deems fit, purchase its own shares and make payments in respect of the purchase of such shares provided:
- (a) the Company is solvent at the date of the purchase and will not become insolvent by incurring the debts involved in the obligation to pay for the shares so purchased;
  - (b) the purchase is made through the Stock Exchange on which the shares are quoted and in accordance with the relevant rules of the Stock Exchange;
  - (c) to purchase is made in good faith and in the interests of the Company.
- Shares in the Company so purchased by the Company shall be dealt with as provided by the Act, the Listing Requirements and/or other relevant authority.
15. All new issue of securities for which listing is sought shall be by way of crediting the Securities Account of the allottees with such securities with the Depository or the authorized depository agent (as the case may be), save and except where the Company is specifically exempted from compliance with Section 38 the SICDA, in which event it shall so similarly be exempted from compliance with the provision. For this purpose, the Company must notify the Depository of the names of allottees and all such particulars required by the Depository, to enable the Depository to make the appropriate entries in the securities accounts of such allottees.
16. In addition to all other powers of paying commissions, the Company (or the Board on behalf of the Company) may exercise the powers conferred by Section 80 of the Act of applying its shares or capital moneys in paying commissions to persons subscribing or procuring for shares of the Company, or agreeing so to do whether absolutely or conditionally, provided that the percentage or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and shall not exceed ten per cent (10%) of the price at which the shares in respect whereof the commission is paid are issued or an amount equivalent thereto. The Company (or the Board on behalf of the Company) may also on any issue of shares pay such brokerage as may be lawful.
17. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or 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 condition and restrictions mentioned Section 130 of the Act, and may charge the same to capital as part of the cost of construction of the works, buildings or the provision of plant.

18. 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.
19. Except as required by law and as provided under the Rules, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not even when having notice thereof be bound or compelled to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by this Constitution otherwise expressly provided or as required by law) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.
20. The Depository or its nominee company shall be entitled to receive jumbo certificates requested by the Depository or its nominee company for Securities that are Deposited Securities which shall be issued in accordance with SICDA, the Listing Requirements and the Rules provided always every certificate shall be issued under the Seal with security features and of such size as prescribed by the Stock Exchange and bear the signatures or the autographic signatures of one (1) Director and the Secretary or a second Director or such other person as may be authorized by the Directors, and shall specify the shares to which it relates and the amount paid up thereon provided that the Directors may by resolution determine that such signatures, or either of them, shall be dispensed with or shall be affixed by such other person as may be authorized by the Directors or some method or system of mechanical signature.
21. The Company shall issue share certificates for shares which are not Deposited Securities where a member applies for one (1) under Subdivision 2 of Division 1 of Part III of the Act. In respect of share(s) held jointly by several persons, the Company shall not be bound to issue more than one (1) certificate, and delivery of a certificate for a share to one (1) of several joint holders shall be sufficient delivery to all such holders.
22. The Board can decide how share certificates are made effective. They can be:
  - (a) executed under Section 66(2) of the Act; or
  - (b) sealed with the Seal or executed in any other way allowed by the Constitution and the Act.
23. If a share certificate be defaced, lost or destroyed, it may be reissued on such evidence being produced and a letter of indemnity (if required) being given by the member as the Directors shall require and (in the case of defacement or wearing out) on delivery up to the old certificates, and in any case on payment of a fee not exceeding RM50 per certificate as the Directors may from time to time determine and which the Company may be permitted by law to charge.

#### **DISPOSAL OF SHARES OF MEMBERS WHOSE WHEREABOUTS ARE UNKNOWN**

24. (1) Subject to the provisions of the Central Depositories Act and the Rules, where by the exercise of reasonable diligence, the Company is unable to discover the whereabouts of a member for a period of not less than ten (10) years, the Company may cause an advertisement to be published in a newspaper circulating in the place shown in the Record of Depositors as the address of the member stating that the Company after expiration of one (1) month from the date of the advertisement intends to transfer the shares to the Minister charged with responsibility for finance.
- (2) If after the expiration of one (1) month from date of the advertisement the whereabouts of the member remains unknown, the Company may transfer the shares held by the member in the Company to the Minister charged with responsibility for finance and for the purpose may execute for and on behalf of the member a transfer of those shares to the Minister charged with responsibility for finance.

#### **CALLS ON SHARES**

25. The Directors may from time to time make such calls upon the members, as the Directors may think fit, in respect of the amounts unpaid on their shares and not by the conditions of allotment of shares thereof made payable at fixed date provided that no call shall exceed one-fourth (1/4) of the issue price of the share or be payable at less than one (1) month from the date fixed for the payment of the last preceding call. Except in the case of calls payable at fixed times pursuant to the conditions of allotment, each member shall be entitled to receive at least fourteen (14) days' notice specifying the date, time and place of payment.
26. Any call may be made payable either in one sum or by installments, and each member upon whom a call is made is liable to pay the amount of the call to the Company and at the time or times and place appointed by the Directors. A call may be wholly or partly revoked or may be postponed by the Directors of the fixed time for its payment. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

27. A call shall be deemed made at the time when the resolution of the Directors authorising such call was passed and such resolution may authorize the call to be made by instalments. No member shall be entitled to receive any dividend or to exercise any privilege as member until he shall have paid all calls for the time being due and payable on every share held by him, together with the interest and expenses (if any).
28. The Company may:
- (a) make arrangement on the issue of shares, differentiate between the holders of such shares as to the amount of calls to be paid and the time of payment of such calls;
  - (b) accept from any member the whole or part of the amount remaining unpaid on any shares although no part of the amount has been called up; and
  - (c) pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on the same shares than on others.
29. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date, shall be deemed to be a call duly made and payable on such fixed date which by the terms of the share issued becomes payable and in case of non-payment, all the provisions of the Act as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
30. If any sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest or compensation on the sum from the day appointed for payment thereof to the time of actual payment, at such rate as the Directors may determine provided however the Directors may waive payment of such interest in whole or in part.
31. No shareholder shall be entitled to receive any dividend or to exercise any rights or 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).
32. The Directors may, if they think fit, receive from any member willing to advance payment all or any part of the money uncalled and unpaid in respect of any share held by him and upon all or any part of the money advanced is received by the Directors from the member become payable, the Company may pay interest or return at such rate as may be agreed between the member paying the sum in advance and the Directors. Any capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits. Except in liquidation, sums paid in advance of calls shall not, until the same would but for such advance have become payable, be treated as paid up on the shares in respect of which they have been paid.

#### **FORFEITURE AND SURRENDER OF SHARES**

33. If any member fails to pay the whole or any part of any call on the day appointed for the payment thereof, the Directors at may, at any time thereafter during such time as the call or any part thereof remains unpaid, serve a notice on him requiring payment of the amount or such part thereof as remains unpaid, together with any interest or compensation which may have accrued.
34. The notice shall specify a date of service on or before which, and the place where, the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call or any part thereof was made will be liable to be forfeited.
35. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given shall be forfeited by a resolution of the Directors to that effect unless the payment required by the notice has been made before such resolution. Such forfeiture of shares shall include all dividends declared on the forfeited shares and not actually paid before the forfeiture.
36. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed to any other person upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit.

37. A person whose shares have been forfeited or surrendered shall cease to be a member in respect of the forfeited or surrendered shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture or surrender, were payable by him to the Company in respect of the shares (together with interest at such rate as the Directors may determine from the date of forfeiture or surrender on the money for the time being unpaid if the Directors think it fit to enforce payment of such interest) but his liability shall cease if and when the Company receives payment in full of all such moneys in respect of the shares.
38. 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 or surrendered or sold to satisfy a lien on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and the Directors may authorize to execute a transfer of the share in favour of the person to whom the share is sold or otherwise disposed of and he shall thereupon be registered as the holder of the share, and shall not have his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or other disposal of the share. Any residue of the proceeds of the sale of shares which are forfeited and sold or disposed of, after the satisfaction of the unpaid calls or instalments payable at fixed times and accrued interest and expenses, shall be paid to the persons entitled to the shares immediately before the forfeiture thereof or his executors, administrators or assignees or as he directs.
39. The provisions of this Constitution as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable to the Company at a fixed time, as if the same had been payable by virtue of a call duly made and notified.
40. When any share has been forfeited in accordance with this Constitution, notice of the forfeiture shall forthwith be given to the holder of the share or to the person entitled to the share by reason of the death or bankruptcy as the case may be, 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.

#### **LIEN**

41. Subject to the provision of the Act, the Listing Requirements, the SICDA and the Rules, the Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share but the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Clause. The Company's lien, if any, on a share shall extend to all dividends payable thereon.
42. Subject to the SICDA and the Rules, the Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a sum in respect of which in the lien exists is presently payable, nor until the expiration of fourteen (14) days after notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy of the registered holder.
43. To give effect to any such sale the Board may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall this title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

The proceeds of the sale shall be received by the Company and applied in or towards payment of such part 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, subject to a similar lien for the sums not presently payable which exists over the shares before the sale.

The Company's lien on shares and dividends from time to time declared in respect of such shares, shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay and has paid in respect of the shares of the member or deceased member.



## **UNTRACED MEMBERS AND UNCLAIMED MONEYS**

44. The Company may transfer shares of a member to the Minister in charged with the responsibility for finance in accordance with Section 583 of the Act. The Board may appoint a person to sign (on behalf of such member) any transfer or other documents needed for this transfer to the Minister.
45. The Company may exercise all its rights and duties under UCA in relation to a share. These include, dividends and other money payable and all other things related to that share, as far as UCA covers.

## **TRANSFER OF SECURITIES**

46. The transfer of any listed securities or class of listed securities of the Company shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Section 105, 106 and 110 of the Act, but subject to Section 148 (2) of the Act and any exemption that may be made from compliance with Section 148 (1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities.
47. The Depository may, in its absolute discretion, refuse to register any transfer of Depository Securities that does not comply with the SICDA and the Rules.
48.
  - (a) Subject to the Act, any member may transfer all or any of his shares (which are not Deposited Securities) by a duly executed and stamped instrument in writing. The instrument shall execute by or on behalf of the transferor and the transferor shall remain the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the register of members in respect thereof.
  - (b) Subject to the Act, the Director may, in their absolute discretion through passing of a resolution setting out the reasons of refusal or delay in the registration of any transfer of any share (which is not a Deposited Share) to a person of whom they do not approve, whether or not it is a fully paid share, within thirty (30) days from the receipt of the instrument transfer. The Notice of the resolution shall be sent to the transferor and to the transferee within seven (7) days of the resolution being passed.
49. Subject to the provision of the Act, the SICDA, Rules and Listing Requirements, there shall be no restriction on the transfer of fully paid securities except where required by law or the transfer is in respect of a partly paid shares in respect of which call has been made and is unpaid.
50. Nothing in this Constitution shall preclude the Directors from recognizing a renunciation of the allotment of any share by the allottee in favour of some other person.
51. Subject to any written law, no shares shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

## **TRANSMISSION OF SECURITIES**

52. In the case of death of a member, the survivor or survivors, where the deceased was a joint holder, and the legal personal representatives of the deceased, where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the securities; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any securities which had been held by him.
53. Any person becoming entitled to securities in consequence of the death or bankruptcy of a member may upon such evidence being produced as may from time to time be required by the Board and subject to the provisions hereinafter contained, elect either to be registered himself as a member in respect of such securities or to have some person nominated by him registered as transferee thereof but the Board shall, in either case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the share by that member before his death or bankruptcy. Before recognising any executor or administrator, the Directors may require him to take out probate or letters of administration as evidence. Provided Always that where the share is a Deposited Security, a transfer or withdrawal of the share may be carried out by the person becoming so entitled, subject to the Act, the Rules, the SICDA and the Listing Requirements.

54. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company and the Depository a notice in writing signed by him stating that he so elects Provided Always that where the share is a Deposited Security and the person so becoming entitled elects to have the share transfers to him, the aforesaid notice must be served by him on the Depository. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the security. All the limitations, restrictions and provisions of this Constitution relating to the right to transfer and the registration of transfer of securities shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of a member had not occurred and the notice of transfer were a transfer signed by that member.
55. A Person entitled to securities in consequence of the death or bankruptcy or mental disorder of a member shall be entitled upon the production of such evidence as may from time to time be properly required by the Depository in that behalf to receive and may give a discharge for all dividends and other moneys payable in respect of the shares, but he shall, subject to the Company's Constitution, not be entitled to receive notice of or to attend or vote at any meeting, or, save as aforesaid, to exercise any of the rights and privileges of a member unless and until he shall have become a member in respect of the securities.

### **ALTERATION OF CAPITAL**

56. (1) The Company may from time to time by special resolution-
  - (a) consolidate and divide all or any of its share capital the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;
  - (b) sub-divide its shares or any of its share capital, whether is in the subdivision, the proportion between the amount paid and the amount (if any) unpaid on subdivided share shall be the same as it was in the case of the shares from which the subdivision is derived; or
  - (c) convert all or any of its paid up capital into stock and may reconvert that stock into paid up shares; or
- (2) The Company may by special resolution reduce its share capital in accordance with the Act, whether with the confirmation of the court or a solvency statement, or in any other way allowed by the Act.

### **MEETINGS OF MEMBERS**

57. Annual general meeting of the Company shall be held in every year in addition to any other meetings held during that period, in accordance with the Act within six (6) months of the Company's financial year end and not more than fifteen (15) months after the last preceding annual general meeting.
58. All general meetings other than annual general meeting shall be called extraordinary general meetings of members.
59. (1) The notice convening meetings shall specify the place, day and hour of the meeting, and shall be given to all members at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of the meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting must be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to the Exchange upon which the Company is listed. If special notice of an intention to move a resolution is required under the Act, those requirements must also be complied with. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the register of members in respect of the share.
- (2) A notice of meeting must state:
  - (a) where the meeting is to be held (this includes, other places and means for simultaneous attendance and participation decided by the Directors under the provision of this Constitution);
  - (b) the date and time of the meeting;
  - (c) the general nature of the business to be dealt with at the meeting;
  - (d) whether a resolution will be proposed as an ordinary resolution or as a special resolution; and
  - (e) that a member who can attend, participate, speak and vote can appoint one (1) or more proxies (who need not be members) to attend, participate, speak and vote for him but where that member appoints more than one (1) proxy, he must specify the proportion of his shareholdings represented by each proxy.

- (3) Notices of meeting shall be given to:-
- (a) every member;
  - (b) every person automatically entitled to a share in consequence of the death or bankruptcy of a member who has provided evidence of his entitlement as required by this Constitution;
  - (c) every Director;
  - (d) every auditor; and
  - (e) the Exchange.
- (4) 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 meeting of members (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.
60. 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 one or more proxies to attend and vote instead of him, and that a proxy need not also be a member and a member may appoint any person to be his proxy without limitation and that the provisions of the Act shall not apply to the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
61. The accidental omission to give notice of any meeting to or the non-receipt of the notice of a meeting by any person entitled to receive notice shall not invalidate any resolution passed or proceedings held at any such meeting.
62. A meeting shall, notwithstanding that it is called by notice shorter than is required by this Constitution, be deemed to be duly called if it is so agreed:-
- (a) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; or
  - (b) in the case of any other 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 cent (95%) in nominal value of the shares giving a right to attend and vote.
63. Where by the Act special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty-eight (28) days before the meeting at which it is moved and the Company shall 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 shall give them notice thereof, in any manner allowed by the 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 Clause shall be deemed to be properly given.

#### **PROCEEDINGS AT GENERAL MEETINGS**

64. All business that is transacted at any extraordinary general meeting and also all business that is transacted at an annual general meeting shall be deemed special, with the exception of the receipt and consideration of the audited financial statements and audited group financial statements (if any) of the Company and the reports of the Directors and auditors and other documents required to be annexed to the financial statements, the declaration of dividends, the election of Directors and other officers in the place of those retiring and the appointment of, the fixing of Director' fees and benefits payable, and the fixing of the remuneration of the auditors.
65. No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, two (2) members present in person or by proxy, or, in the case of corporations which are members, present by their representatives which is a member. For the purposes of constituting a quorum:
- (a) one (1) or more representatives appointed by a corporation shall be counted as one (1) member; or
  - (b) one (1) or more proxies appointed by a person shall be counted as one (1) member.

66. If within half an hour after 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 half an hour from the time appointed for holding the adjourned meeting, the member or members present at an adjourned meeting shall form a quorum.
67. The Chairman of the Board, if any, or in his absence the Deputy Chairman of the Board, if any, shall preside as Chairman at every members' meeting, but if there be no such Chairman or Deputy Chairman, or if neither of them be present within fifteen (15) minutes after the time appointed for holding the meeting, or both of them shall decline to take or shall retire from the chair, the Directors present shall choose one (1) of their number to act as Chairman of such meeting, and if there be no Director chosen who shall be willing to act, the members present in person or by proxy and entitled to vote shall choose one (1) of their own number to act as Chairman at such meeting.
68. The Chairman may, with the consent of the meeting at which a quorum is present and if directed by the meeting shall, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
69. A resolution in writing signed or approved by letter, telegram, telex, telefax or electronic means by all the members of the Company 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 Directors or by any person (whether identified by name or by reference to the holding of any particular office) duly authorised by such corporate body by resolution of its Directors or other governing body or by Power of Attorney to sign resolutions on its behalf.
70. (1) Where required by the Listing Requirements, any resolution set out in the notice of the meeting of members, or in any notice of resolution which may properly be moved and is intended to be moved at any meeting of members shall be voted by poll. In other cases, a poll may be 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 two (2) members present in person or by proxy;
  - (c) by any member or members present 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 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.

- (2) Unless a poll is duly demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or lost or has not been carried by any particular majority, 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.

71. Subject to any rights or restrictions for the time being attached in any class or classes of shares, on a show of hands, every member who is present in person or by proxy or by duly authorized representative, shall have one (1) vote, and on a poll every member shall have one (1) vote for each share of which he is the holder. A member may appoint more than one (1) proxy to attend and vote at the same meeting. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, the proxies shall only be entitled to vote on :-
- (a) show of hands in accordance with Listing Requirement shall be counted as one (1) vote for each member they represent; or
  - (b) poll and the appointment shall not be valid unless the member specifies the proportion of his shareholding to be represented by each proxy.
- On a show of hands, if more than one (1) proxy is appointed, they shall be considered as one (1) vote for each member they represent if they purport to exercise the power in the same way, the power is treated as not exercised.
72. In the case of joint holders of shares of the Company, the joint holders shall be considered as one (1) shareholder. For the purpose of this Clause:
- (a) if the joint holders purport to exercise the power in the same way, the power is treated as exercised in that way; or
  - (b) if the joint holders do not purport to exercise the power in the same way, the power is treated as not exercised.
73. 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) and the result of a poll shall be deemed the resolution of the meeting at which the poll was demanded. The Chairman may (and if so directed by the meeting shall) appoint scrutineers for 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. In case of any disputes as to the admission or rejection of a vote, the Chairman shall determine the same, and such determination made in good faith shall be final and conclusive.
74. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the business on which a poll has been demanded.
75. The demand for a poll may be withdrawn, if the Chairman agrees to this. If a poll is demanded, and this demand is then withdrawn, a declaration by the Chairman of the result of a vote by a show of hands on the resolution, which was made before the poll was demanded, will stand.
76. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, as the case may be, shall have a second or casting vote.
77. (1) Subject to provision of this Constitution and subject to 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 meeting of members of the Company either personally or by proxy or by attorney and to be reckoned in a quorum in respect of shares fully paid.
- (2) 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, on a show of hands every person present who is a member or a member's representative or proxy or attorney shall have one (1) vote and in the case of a poll every member present in person or by proxy or by attorney or other duly authorised representative shall have one vote for every share held by him. A person entitled to more than one vote need not use all his votes or cast all the votes he uses on a poll in the same way.
- (3) 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 is exercisable.
78. Any corporation which is a member of the Company may by resolution of its 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 any class of members and the person so authorised shall act 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 which he represents as that corporation could exercise if it were individual member of the Company. A corporation which is a member of the Company will be deemed to be present in person by its representative duly authorized under this Clause.

If the corporation authorize more than one (1) person as its representative, every one (1) of the representative is entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if everyone (1) of the representative was an individual member of the Company but shall be counted as one (1) vote for each corporation member they represent when voting is by a show of hands.

If the corporation authorizes more than (1) person and more than one (1) of the representatives purport to exercise the power on the above:-

- (a) if the representative purport to exercise the power in the same way, the power is treated as exercised in that way; or
- (b) if the representative do not purport to exercise the power in the same way, the power is treated as not exercised.

- 79. 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, or such other person as properly has management of his estate, and any such person may vote either personally or 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.
- 80. The legal personal representative of a deceased member or the person entitled under the provision of this Constitution 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.
- 81. 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 (1) of the quorum unless all calls or other sums immediately payable by him in respect of shares in the Company have been paid.
- 82. A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid notwithstanding the previous death or unsoundness of mind of the principal or revocation of the instrument or of the authority under which the instrument was executed, or the transfer of the share in respect of which the instrument is given, if no intimation in writing of such death, unsoundness of mind, revocation, or transfer as aforesaid has been received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the instrument is used.
- 83. (1) Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account (“Omnibus Account”), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each Omnibus Account it holds.  
(2) An exempt authorized nominee refers to an authorized nominee defined in the SICDA which is exempt from compliance with SICDA.
- 84. No objection shall be raised in respect of the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman at the meeting, whose decision shall be final and conclusive.
- 85. A meeting of members may be convened at more than one (1) venue using any technology or method that enables the members of the Company to participate and to exercise the member’s 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 the main venue of the meeting. The Board can decide the main venue of the meeting and make arrangements for simultaneous attendance and participation at other places (whether by electronic mean or otherwise) by members, proxies and duly authorized representatives entitled to attend the meeting.

#### **CANCELLATION OR POSTPONEMENT OF MEETING OF MEMBERS**

- 86. Where a meeting of members is convened by the Board, they may by three (3) days’ notice, whenever they think fit, cancel the meeting or postpone the holding of the meeting to a date and time determined by them or change the place for the meeting. The cancellation or postponement of a meeting of members is subject to the Listing Requirements and other requirements by Bursa Securities.

This Clause shall not apply to a meeting convened in accordance with Section 310 and 311 of the Act by the member or members unless with the consent of such member or members only.

87. Notice of cancellation or postponement of the meeting or change of place of a general meeting must state the reason for cancellation or postponement and such a notice shall be:-
- (a) published in a daily newspaper circulating in Malaysia;
  - (b) given to Bursa Securities and given in other manner required by the Listing Requirements or other requirements by Bursa Securities; and
  - (c) subject to the Act and the Listing Requirements, given in any other manner determined by the Board.
88. A notice of postponement of a general meeting must specify:
- (a) the postponed date and time for the holding of the meeting;
  - (b) a place for the holding of the meeting which may be either the same as or different from the place specified in the notice convening the meeting; and
  - (c) if the meeting is to be held in two (2) or more places, the technology that will be used to facilitate the holding of the meeting.
- The new time and place specified in the notice of postponement will be taken to be the time and place of the meeting as if specified in the notice which called the meeting originally.
89. The only business that may be transacted at a meeting of members the holding of which is postponed is the business specified in the original notice convening the meeting.
90. Where by the terms of an instrument appointing a proxy or attorney or an appointment of a representative:
- (a) the appointed person is authorized to attend and vote at a meeting of members to be held on or before a specified date; and
  - (b) the date for holding the meeting is postponed to a date later than the date specified in the instrument of proxy, power of attorney or appointment of representative, then, by force of this Clause, that later date is substituted for and applies to the exclusion of the date specific in the instrument of proxy, power of attorney or appointment of representative gives notice in writing to the Company at the office or another address (including electronic address) specified in the notice of meeting to the contrary not less than forty-eight (48) hours before the time which the holding of the meeting has been postponed.
91. The non-receipt of notice of cancellation or postponement of a meeting of members by, or the accidental omission to give notice of cancellation or postponement of a meeting of members to, a person entitled to receive notice does not invalidate any resolution passed at a postponed meeting or the cancellation or postponement of a meeting.
92. A Director is entitled to receive notice of and to attend all meetings of members including but not limited to a postponed meeting and is entitled to speak at those meetings.
93. If the Directors are required to convene and arrange to hold a meeting of members as a result of a request by members in accordance with Section 311 of the Act, the meeting may be cancelled by the Directors if the members who requisitioned the meeting withdraw their requests prior to the date of the meeting.

#### **SECURITY AND OTHER ARRANGEMENT OF MEETINGS**

94. The Chairman of a meeting can take any action he considers appropriate:
- (a) for proper and orderly conduct at a meeting of members. This may include, demanding that debate or discussion on any business, questions, motion or resolution being ended or that the business, question, motion or resolution be put to a vote of the members, or
  - (b) so that the meeting reflects the wishes of the majority.
95. The Board can ask members or proxies wanting to attend a meeting of members to submit to searches or other security arrangements which the Board decides. The Board can, in their discretion, refuse entry to, or remove from, a meeting of members, a member or proxy who does not submit to those searches or comply with those security arrangements. Security arrangements may include, members or proxies not being allowed into a meeting of members with recording or broadcasting devices or an article which the Chairman of the meeting or the Secretary considers to be dangerous, offensive, or liable to cause disruption or nuisance.

## PROXIES

96. The instrument appointing a proxy shall be in writing under the hand of the appointor of his attorney duly authorized in writing or, or if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorized. A proxy need not be a member of the Company (but must be of full age of eighteen (18) years and above). There shall be no restriction as to the qualification of the proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. A member other than an exempt authorized nominee as stated in this Constitution shall be allowed to appoint up to two (2) proxies to attend, participate, speak and vote for him at a meeting of members.

A proxy may vote only as directed in the proxy form. However, if the appointor or representative attend and vote on a resolution, the proxy or attorney must not vote.

97. An instrument appointing a proxy shall be in the following form or in such other form to be agreed by the Directors.

### KOBAY TECHNOLOGY BHD.

(Company No: 308279-A)

(Incorporated in Malaysia)

### PROXY FORM

I / We ..... (FULL NAME IN BLOCK LETTERS), NRIC /Passport/Company No.: .....of .....(ADDRESS) being a member / members of Kobay Technology Bhd. hereby appoint ..... NRIC/Passport/Company No.: ..... of ..... or failing him, ..... NRIC/Passport/Company No.: ..... of ..... or failing him/her, Chairman of the Meeting as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the [annual or extraordinary, as the case may be] general meeting of the Company to be held at ..... on ..... at ..... or at any adjournment thereof in the manner indicated below:-

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the meeting as indicated hereunder. If no specific directions as to voting is given or in the event of any item arising not summarized below, my/our proxy/proxies may vote or abstain from voting at his/her discretion.

Resolution No.	Resolution/(s)	For*	Against*

*\* Please indicate your vote "For" or "Against" with an "X" within the box provided.*

Total number of Shares held	
CDS Account Number	

Signed this.....day of ....., 20.....

.....  
Signature / Common Seal of  
Shareholder(s)

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.

98. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notary certified or office copy of such power or authority, shall be deposited at the Office or at such other place 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, as the case may be, at which the person named as proxy in such 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.



99. A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid, notwithstanding the previous death or unsoundness of mind of the principal or revocation of the instrument of proxy, or the authority under which the instrument of proxy was executed, or the transfer of the share in respect of which the instrument of proxy is given provided that no intimation in writing of such death, unsoundness of mind, revocation or transfer shall have 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 instrument is used.

## **DIRECTORS**

100. The Directors may appoint a person as a Director either to fill, a casual vacancy, or as an addition to the existing Board but the total number of Directors shall not be less than two (2) nor more than ten (10). Any Director so appointed shall hold office only until the next general meeting of the Company, and shall be eligible for re-election.
101. (1) 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. 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.
- (2) The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
102. A retiring Director shall be eligible for re-election if he is not disqualified under the Act but save as aforesaid 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 registered office of the Company a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such member to propose him for election, provided that, such an appointment is in the best interest of the Company, in the case of a person recommended by the Directors (after reviewed by the Nomination Committee) for election, nine (9) clear days' notice only shall be necessary, and notice of each and every candidate for election to the board of directors shall be served on the registered holders of shares at least seven (7) days prior to the meeting at which the election is to take place.
103. The Company at the meeting of 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 a Director in place of the retiring Director, the retiring Director shall, if offering himself for re-election and not being disqualified under the Act from holding office as a Director, be deemed to have been re-elected. A retiring Director shall be deemed to have offered himself for re-election unless he has given notice in writing to the Company that he is unwilling to be re-elected.
104. At a meeting of members at which more than one (1) Director is to be elected, each candidate shall be the subject of a separate motion and vote unless a motion for the appointment of two (2) or more persons as Directors by a single resolution shall have first been agreed to by the meeting without any vote being given against it.
105. The Company may from time to time by ordinary resolution passed at 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.
106. (1) Subject to the Act and Listing Requirements, a Director may appoint a person approved by a majority of his co-Directors to act as his alternate Provided That any fee paid by the Company to the alternate shall be deducted from that Director's remuneration. The alternate Director shall be entitled to notices of all meetings and to attend, speak and vote at any such meeting at which his appointor is not present. Any appointment so made may be revoked at any time by the appointor or by a majority of the Directors (excluding the Director who appointed the alternate), and any appointment or revocation under this Constitution shall be affected by notice in writing (by hand, by post or facsimile or any form of electronic communications approved by the Directors) to be delivered to the Secretary of the Company. An alternate Director shall ipso facto cease to be an alternate Director if his appointor for any reason ceases to be a Director.
- (2) If any Director retires by rotation and is re-elected by the meeting or is, pursuant to this Constitution, deemed to be re-elected at the meeting at which such retirement took effect, any appointment made by him of an alternate Director which was in force immediately prior to the appointor's retirement shall continue to operate after such re-election as if the appointor had not so retired.

- (3) The 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 of any meeting of the Directors attended by him for which he is entitled to vote;
  - (4) Subject to the Act, the Company may by ordinary resolution remove an alternate Director without prior consent of the appointor, notwithstanding, any provision of this Constitution or of any agreement between the alternate Director and the appointor.
107. 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 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 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.
  108. The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but the total number of Directors shall not at any time exceed the maximum number fixed in accordance with this Constitution. Any Director so appointed shall hold office only until the next 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 the meeting.
  109. The fees of the Directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the meeting of members annually and shall (unless such resolution otherwise provided) 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:-
    - (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
    - (b) salaries and other emoluments payable to executive Directors may not include a commission on or percentage of turnover and need not be determined by the Company in meeting of members;
    - (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a meeting of members, where notice of the proposed increase has been given in the notice convening the meeting; and
    - (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.
  110. (1) The Directors shall be entitled to be reimbursed for all traveling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.
  - (2) If by arrangement with the Director, any Director shall perform or render any special duties or services 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 Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged.
  111. The office of Director shall, ipso facto, be vacated during his term of office –
    - (a) if he becomes disqualified or prohibited from being a Director under the Act; or
    - (b) if he ceases to be or is prohibited from being a Director by virtue of the Act; or
    - (c) if he resigns his office by notice in writing under his hand sent to or left at the Office under the Act; or
    - (d) if he is removed from his office of Director by resolution of the Company in meeting of members of which special notice has been given in accordance with the Act or this Constitution; or
    - (e) if he becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder during the term of his office; or
    - (f) if he has retired in accordance with the Act or this Constitution and is not be re-elected; or

- (g) if he is absent from more than fifty per cent (50%) of total Board of Directors meetings held during a financial year, save and except where the Exchange has granted a waiver to the Director from compliance with this requirement. For the purpose of this Constitution, if a Director is appointed after the commencement of a financial year, then only the Board of Directors' meeting held after his appointment will be taken into account; or
- (h) otherwise vacates his office in accordance with this Constitution or provision of the Act; or
- (i) dies.

## **POWERS AND DUTIES OF DIRECTORS**

112. The Board has all the powers necessary for managing and for directing and supervising the management of the business and affairs of the Company.
113. Subject to the Act, the Directors shall not without the prior approval of the Company in general meeting:-
  - (a) carry into effect any proposal or execute any transaction for the acquisition of any undertaking or property of a substantial value, or the disposal of a substantial portion of the main undertaking or property of the Company, as defined in the Act; or
  - (b) exercise any power of the Company to issue shares unless otherwise permitted under the Act; or
  - (c) enter into the arrangement or transaction with a Director or a director of the holding company 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 a requisite value as defined in the Act.
114.
  - (1) The Directors may exercise all the powers of the Company to borrow or raise money from time to time for the Company or secure the payment of such sums as they think fit and may secure the repayment or payment of such sum by, mortgage or charge upon all or any part of the undertakings, property or assets of the Company or the subsidiaries including its uncalled capital for the time being, or by issue bonds, notes, debentures, debenture stock and other securities at par, or at discount or premium or otherwise as they may think fit.
  - (2) The Directors shall cause a proper register to be kept in accordance with 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 and otherwise.
  - (3) 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.
115. The Directors may procure the establishment and maintenance of any non-contributory or contributory pension or superannuation fund or life assurance scheme for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to, any persons who are or shall have been at any time in the employment or service of the Company or any subsidiary company or to any persons who are or have been a Director or other officer of and holds or have held salaried employment in the Company or any subsidiary company, or the wives, widows, families or dependents of any such persons. The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, association, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or of its members and payment for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibitions or for any public, general or useful object. Provided that any Director holding such salaried employment shall be entitled to retain any benefit received by him hereunder subject only where the Act requires, to proper disclosure to the members of the Company in general meeting.
116. The Directors may from time to time, and at any time, by power of attorney, 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 discretions (including 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 and may also authorise any such attorney to delegate all or any of the powers vested in him.
117. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipt 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.

118. 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, arrangement or transaction 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, proposed contract, arrangement or transaction by reason of such Director holding that office or of the fiduciary relation thereby established provided always that all relevant provisions of the Act and this Constitution are complied with.
119. Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director provided that nothing herein contained shall authorise a Director or his firm to act as auditor of the Company.
120. 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.
121. Every Director shall comply with the provision of the Act in connection with the disclosure of his shareholding and interest in the Company and his interest in any contract by giving notice to the Company. A Director shall not vote in respect of any contract or proposed contract or arrangement in or proposed contract or arrangement in which he has, direct or indirectly, an interest.

## **MINUTES AND REGISTERS**

122. The Directors shall cause minutes to be duly entered in books provided for the purpose-
  - (a) of all appointments of officers;
  - (b) 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;
  - (c) of all resolutions and proceedings of general meetings and of meetings of the Directors and all Committees of Directors; and
  - (d) 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.
123. The Company shall in accordance with the provisions of the Act, keep at the Office a register containing such particulars with respect to the Directors, managers and secretaries of the Company as are required by and shall from time to time notify the Companies Commission of Malaysia of any change in such Register and of the date of such change in manner prescribed by that section.
124. The books containing the minutes of proceedings of any general meeting shall be kept by the Company at the Office, and shall be open to the inspection of any member without charge.
125. The Company shall also keep at the Office, 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 :-
  - (a) a register of substantial shareholders and of information received in pursuance of the requirements under the Act;
  - (b) a register of the particulars of each of the Directors' shareholdings and interests as required under the Act; and
  - (c) a register of the particulars of each of the charges created by the Company as required under the Act.

## PROCEEDINGS OF DIRECTORS

126. (1) A meeting of the Board may be convened by a Director or a Secretary (if requested by a Director to do so) by giving notice in accordance with the Act.
- (2) A notice of a meeting of the Board shall be sent to every Director and the notice shall include the date, time and place of the meeting and the matters to be discussed.
- Any 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.
- (3) A meeting of the Board may be hold either:-
- (a) by a number of the Directors who continue a quorum, being assembled together at the place, date and time appointed for the meeting; or
- (b) by means of video conference, telephone conference, electronic or such other communication facilities where a Director who can simultaneously hear each other throughout the meeting will be treated as presence in person by that person at the said meeting and shall be counted towards the quorum notwithstanding the fact that he/she is not physically present at the venue where the meetings is to be held. For the avoidance of doubt, such a meeting shall be deemed held at the place where the Chairman of the meeting is at the start of the meeting.
- (4) A Director shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the meeting held by way of video conference, telephone conference, electronic or such other communication facilities unless he has obtained the expressed consent of the Chairman to leave the said meeting.
- (5) The Board shall ensure that the minutes of all proceedings at meetings of the Board are kept. Minutes of the proceedings at a meeting by video conference, telephone conference, electronic or such other communication facilities are sufficient evidence if certified by the Chairman of the meeting and counter-certified by the Secretary, provided that all such minutes shall be signed by the Chairman of the meeting at which the proceedings were held, shall be conclusive evidence without any further proof of the facts thereon stated.
127. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Unless otherwise determined by the Directors from time to time, notice of all Directors' meetings shall be given by hand, post or facsimile or any form of electronic communication to all Directors and their alternate Directors except in the case of an emergency, where reasonable notice of every Directors' meeting shall be given in writing. Any Director may waive notice of any meeting either prospectively or retrospectively. The notice of each Directors meeting shall be deemed to be served on a Director upon delivery if delivered by hand, or immediately if sent by facsimile or any form of electronic communication or if sent by post, two (2) market days following that on which a properly stamped letter containing the notice is posted.
128. The quorum necessary for the transaction of the business of the Directors shall be two (2) Directors, present in person or by alternate. No business may be transacted at a meeting of the Board if a quorum is not present.
129. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions by or under this Constitution vested in or exercisable by the Directors generally. Subject to this Constitution, questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote except where only two (2) Directors form quorum and where only two (2) Directors are competent to vote on the question at issue.
130. The continuing Directors or sole continuing Director may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the number fixed by or pursuant to this Constitution as the necessary quorum of Directors, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that number or of summoning a meeting of members of the Company, but for no other purposes except in an emergency.
131. The Directors may from time to time elect and remove a Chairman and Deputy Chairman of the Board of Directors and determine the period for which they are respectively to hold office. The Chairman so elected, or in his absence the Deputy Chairman, shall preside at all meetings of the Directors and/or any committee of the Board but if no such Chairman or Deputy Chairman be elected, or if at any meeting the Chairman or Deputy Chairman be not present within fifteen (15) minutes after the time appointed for holding the same, the Directors and/or the committee members present shall choose one (1) of their number to act as Chairman of such meeting.

132. A Director who is also an alternate Director shall be entitled, in addition to his own vote, to a separate vote on behalf of the Director whom he is representing.
133. Every Director shall comply with the provisions of the Act in connection with the disclosure of his shareholding and interest in any contract, proposed contract, arrangement or transaction 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 interest might be created in conflict with his duty or interest as a Director of the Company.
134. No Director shall vote in respect of any contract, proposed contract, arrangement or transaction in which he has directly or indirectly a personal interest, and if he should do so his vote shall not be counted.
135. A resolution of the Board is passed if it is agreed by all Directors present without dissent or a majority of the votes cast on it are in favour of it.
136. A Director present at a meeting of the Board is presumed to have agreed to, and to have voted in favour of, a resolution of the Board unless he expressly dissent from or votes to object against the resolution at the meeting.
137. A Director may vote in respect of -
- (a) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
  - (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.
138. A Director may be or become 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, or any corporation, which is directly or indirectly interested in the Company 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 Director 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 them Directors or other officers of such corporation) and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or is about to be appointed a Director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid provided always that he has complied with all relevant provisions of the Act and of this Constitution.

#### **CIRCULAR RESOLUTIONS BY DIRECTORS**

139. A resolution in writing signed or approved by letter, telegram, telex, facsimile or other forms of electronic communications by majority of all the Directors for the time being and who are sufficient to form a quorum, 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. All such resolutions shall be described as "Directors' Circular Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's Minute Book. Any such resolution may consist of several documents in like form, each signed by one or more Directors or their alternates.

## **COMMITTEES OF DIRECTORS**

140. The Directors may establish any committees, local boards or agencies, comprising of two (2) or more persons, for managing any of the affairs of the Company, either in Malaysia or elsewhere, and may lay down, vary or annul such rules and regulations as they may think fit for the conduct of the business thereof, and may appoint any person or persons to be member or members of any such committee or local board, or any managers or agents, and may fix their remuneration, and may delegate to any such committee, local board, manager or agency any of these powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorize the members of any such committee or local board, or agency 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. The regulations herein contained for the proceedings of Directors shall so far as not altered by any regulation made by the Directors apply also to the meetings and proceedings of any committee.
141. (1) 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 and in the case of an equality of votes the Chairman shall have a second or casting vote except where at the meeting only two (2) Directors form the quorum or are competent to vote on the question at issue.
- (2) A committee may elect a Chairperson of its meeting and may determine its own proceedings if no such Chairman is elected, or if at any meeting the Chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, the members present may choose one of their number to be Chairman of the meeting.

## **VALIDATION OF ACTS OF DIRECTORS**

142. All acts done by any meeting of the Directors or of a Committee of the Directors or by any person acting as a Director, local board or agency shall, notwithstanding it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they, or any of them were disqualified, 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.

## **MANAGING DIRECTORS AND DEPUTY MANAGING DIRECTORS**

143. (1) The Directors may from time to time appoint any one (1) or more of its body to the office of Managing Director for such period and on such terms as it thinks fit and, subject to the terms of any particular case, may revoke such appointment. A Managing Director shall ipso facto cease to be a Managing Director if he ceases from any cause to be a Director. A Managing Director, or a person performing the function of a Managing Director, by whatever name called shall be subject to the control of the Board of Directors.
- (2) A Director appointed to the office of Managing Director shall not, while holding that office, be subject to retirement by rotation or be taken into account in determining the rotation of retirement of directors, but his appointment shall be automatically determined if he ceases from any cause to be a Director.
144. The remuneration of the Managing Director and the Deputy Managing Director may subject to the terms of any agreement entered into any particular case, be by way of salary, commission or participation of profits, or partly in one way or partly in another, as the Board may determine.
145. The Board may entrust to and confer upon a Managing Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it may think fit, and either collaterally with or to the exclusion of its own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

## **ASSOCIATE DIRECTORS**

146. The Directors may from time to time appoint any person or persons to be an associate Director or associate Directors and may from time to time cancel any such appointments. The Directors may fix, determine and vary the powers, duties and remuneration of any person or persons so appointed and the number of associate Directors that the Company may have from time and at any time. Any person or persons so appointed shall not be required to hold any shares to qualify 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**

147. (1) The Secretary 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 so appointed may be removed by them but without prejudice to any claim he or they 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. The Directors may from time to time by resolution appoint a joint secretary to exercise the functions of the Secretary.
- (2) The Secretary may resign from his office in accordance with the Act.
- (3) The Secretary shall be disqualified to act as Secretary if the Secretary:-
- (a) is an undischarged bankrupt;
  - (b) is convicted whether in or outside Malaysia of any offence referred to the Act;
  - (c) ceases to be a holder of practicing certificate issued by the Registrar under the Act.
- (4) A person is prohibited to act in a dual capacity as both a Director or a Secretary in a situation that requires or authorizes anything to be done by a Director or a Secretary.

## **SEAL**

148. (1) 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 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 be signed by a Director and 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.
- (2) A document signed under Section 66(2) & (3) of the Act shall have the same effect as if the documents is executed under the Seal.
149. The Company may also have a share seal pursuant to 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**

150. 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.

## **DIVIDEND AND RESERVES**

151. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve which shall, at the discretion of the Directors, be applicable for any purposes to which the profits of the Company may be properly applied, and pending any such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares in the Company) as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.
152. Subject to the rights of persons (if any) entitled to securities with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the securities in respect whereof the dividends is paid, but no amount paid or credited as paid on a security in advance of calls shall be treated for the purposes of this Constitution as paid on the security. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the securities during any portion or portions of the period in respect of which the dividend is paid except that if any security is issued on terms providing that it shall rank for dividend as if paid; but if any securities is issued on terms providing that it shall rank for dividend as from a particular date, such security shall rank for dividend accordingly.



153. The Directors may if they think fit from time to time pay to the members such interim 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 interim dividends in respect of those securities in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those securities 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 an interim dividend on any securities having deferred or non-preferential rights. The Directors may also pay half-yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment.
154. (1) 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 securities of the Company held by him.
- (2) The Director may retain any dividend or other moneys payable on or in respect of a security other than fully paid securities 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.
155. A meeting of members when declaring or approving a dividend including, without limitation, a dividend or bonus of the kind referred this Constitution and whether together with or as an alternative to such dividend or bonus in such Clause, direct (notwithstanding other provisions of this Constitution) that such dividend declared or approved be on terms including all or any of the following:-
- (a) Such dividend be distributed or made available to members or such members as the Directors may decide;
  - (b) The Directors may determine whether a member is permitted to participate in such dividend and the terms and conditions upon which a member may participate in such dividend;
  - (c) The Directors may prescribe whether a member should be entitled to receive such dividend in a particular form of assets or together with cash or with a member being able to elect for specific assets or cash or with any other variations, subject to such dividend in such forms having been approved in such meeting of members;
  - (d) The Directors may provide that specific assets which a member could receive in such dividend be sold or disposed of instead with the proceeds being given to such member less any costs, expenses or other charges as the Directors may determine;
  - (e) The Directors may prescribe any other terms and conditions of such dividend.
- The meeting of members may determine any of the matters referred to in (a) to (e) above instead and may impose or provide for such additional terms and conditions for such dividend as the meeting may think fit.
156. The Directors may retain the dividends payable upon securities in respect of which any person is under the provisions as to the transmission of securities hereinafter 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 securities or shall transfer the same.
157. A transfer of shares shall not pass the right to any dividend declared on such shares before the registration of the transfer provided that 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 Registrar pursuant to the Rules.
158. (1) Any dividend, interest or other money payable in cash in respect of securities may be paid by cheque, banker's draft, money order or warrant and sent through post directed to the registered address of the holder in the Record of Depositors or paid via electronic transfer of remittance to the bank account provided by the holder in the Record of Depositors, in the case of joint holders, to the registered address of that one (1) if the joint holders who is first named in the register of members or to such person and to such address as the holder or joint holder may in writing direct. Every such cheque or warrant or electronic transfer of remittance shall be made payable to the order of the person to whom it is sent or to such person as the holder entitled to the security in consequence of the death or bankruptcy of the holder may direct and the payment of any such cheque or warrant or electronic transfer of remittance shall operate as a good discharge to the Company in respect of the dividend represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant or electronic transfer of remittance shall be sent at the risk of the person entitled to the money thereby represented. No unpaid dividend shall bear interest against the Company.

- (2) The holder in the Record of Depositors shall pay the Company such administration charges for requesting to re-issue cheque or warrant or electronic transfer of remittance for any dividend, interest or other money payable either due to change in registered address, missing by way of transmission or has not cash out during the validity period governed by the Banking and Financial Institution Act, 1989 for cheque clearance.
159. Any meeting of members declaring a dividend or bonus may upon the recommendation of the Directors, 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 certificates 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.

### **CAPITALIZATION OF PROFITS**

160. The Company by ordinary resolution passed in meeting of members may, upon the recommendation of the Directors, resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any securities held by such members respectively or paying up in full unissued securities or debentures of the Company to be allotted and distributed, credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the order, and the Directors shall give effect to such resolution. Subject to the Act, shares may be allotted as fully paid bonus shares in respect of treasury shares. In the circumstances in which the Act applies, any share allotted as fully paid bonus shares in respect of treasury shares shall be treated for the purposes of the Act as if they were purchased by the Company at the time they were allotted.
161. 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 capitalized thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things and required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash 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 capitalization, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized 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.

### **ACCOUNTS**

162. (1) The Company, its directors and managers shall cause proper accounting and other records to be kept that sufficiently explain the transactions and financial position of the Company and enable true and fair profit and loss accounts and balance sheets and any documents required to be attached thereto to be prepared and properly audited.
- (2) The accounting and other records 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.
163. No member not being a Director shall have a right of inspection of any account or book or document of the Company except as conferred to any applicable laws or authorized by the Board at such time and place as shall be determined by the Board.

164. The Director shall from time to time cause to be prepared and approved by the Board such financial statements and reports for each financial year to person/(s) as required by the Act. Such documents may be in printed form or in compact disc read-only memory (CD-ROM) or digital video disc read-only memory (DVD-ROM) format or in any other format whatsoever (whether available now or in the future) through which data, image, information or other material may be viewed whether electronically or digitally. The Directors shall circulate the financial statements and reports to every member of, and to every holder of debentures of the Company under the provisions of the Act or of this Constitution, at least twenty-one (21) days before the date of its annual general meeting.

The requisite number of copies of each such document as may be required by the Exchange shall at the same time be likewise sent to the Exchange provided that this Constitution 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. In the event that such documents is sent in CD-ROM, DVD-ROM format or other electronic media format, the Company shall send to a Member a printed form of such documents within four (4) market days (or such other period as may be prescribed by the Exchange) from the date of receipt of the member's request.

#### **AUDIT**

165. 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.

#### **OVERSEAS BRANCH REGISTER**

166. The Company can use all the power that the Act gives to keep a branch register of members outside Malaysia. The Board can make and change any regulation they decide relating to this register as long as the Act allows this.
167. For a member registered on a branch register, notices, documents or information can be posted or despatched in Malaysia or in the country where the branch register is kept.

#### **DELIVERING NOTICE AND OTHER DOCUMENTS TO MEMBERS**

168. Subject to the Act, the Listing Requirements and this Constitution, the Company can send or supply all type of notice, document or information to member:
- (a) by delivering it by hand to the last known address recorded for the member on the register of member or an address specified for the purpose by the intended recipient;
  - (b) by sending it by post in an envelope (with postage paid) to the last known address recorded for the member on the register of member; or
  - (c) by electronic means (except for share certificate) and/or making such notices, documents or information (except for share certificates) available on a website.

This last known address of a member or holder of such other securities of the Company will be the relevant contact details of the member or holder of such other securities of the Company as provided to the Depository. If a notice, document or information is sent or supplied to a member or holder of such other securities of the Company in relation to Non-Depository Shares or other securities which are not deposited with the Depository, the last known address will be the relevant contact details as recorded in the Register of Members or other register in relation to securities or such other contact details as last notified to the Company in relation to the holder of securities.

A member or holder of any other securities of the Company may, however, request for a hard copy of a notice, document or information, if this is not sent or supplied. The Company must forward a hard copy of the notice, document or information to the member or holder of other securities of the Company as soon as reasonably practicable after receipt of request, free of charge.

Notices, documents or other information required to be completed by members or holders of other securities of the Company for a rights issue or offer for sale must be sent by the Company by electronic mail, in hard copy or in any other manner as Bursa Securities may prescribe from time to time.

169. Where a notice, document or information is delivered by hand, it is treated as being delivered at the time it is handed to or left for the member.

170. Where a notice, document or information is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and to have been effected (unless actually received earlier) at the expiration of twenty four (24) hours after the letter containing the same is posted.
171. Where a notice, document or information (other than a share certificate) is sent or supplied by the Company by electronic means, it is treated as being received by the intended recipient at the time it was sent. It can be proved conclusively that a notice, document or information was received by electronic means, by showing that the notice, document or information was properly addressed.
172. The Company may send or supply a notice, document or information by means of a website if it separately and immediately notifies the members or holders of other securities of the Company of:
  - (a) the publication of such notice, document or information on the website; and
  - (b) the designed website link or address where a copy of such notice, documents or information may be downloaded.

Where a notice, document or information is sent or supplied by the Company by means of a website it is treated as being received by the intended recipient when the material was first made available on the website or, if later, when the recipient received (or is treated as having received) notice of the fact that the material was available on the website. Any such notification, if by electronic mail, must comply with the requirement of this Clause, that it must be proved that the electronic mail was properly addressed and delivered.

173. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through representatives of the deceased, or assignee of the bankrupt, or by any like description, at the address, if any, within Malaysia supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been if the death or bankruptcy had not accrued.
174. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the register of members shall be duly given to the person from whom he receives his title to such share.
175. This Clause applies where, on two (2) consecutive occasions, notices, documents or information sent or supplied by post have been returned undelivered. If the member registers a new address with the Company where notices, documents or information can be sent or supplied, the member is entitled to have notices, documents or information sent or supplied to them at that address. Otherwise, the member is not entitled to receive any notices, documents or information from the Company.
176. If a notice, proxy form, other document or information relating to a meeting or other proceeding is accidentally not sent or is not received, the meeting or other proceeding will not be invalid as a result.
177. A member present in person (including, by representative) or by proxy at a members' meeting is treated as having received proper notice of that meeting and, where necessary, of the purpose of that meeting.
178. Where any provision in this Constitution requires a notice or other documents to be signed or authenticated by a member, director or other person then any notice or other documents sent or supplied by electronic means must be authenticated in a way authorized or approved by the Board. The Board may designate mechanisms for validating any such notice or other document, and any such notice or other document not so validated in this way shall be deemed not to have been received by the Company.

#### **DELIVERING NOTICES AND OTHER DOCUMENTS TO THE COMPANY**

179. Members, can subject to and in accordance with the Act and this Constitution, send or supply a notice, document or information to the Company:
  - (a) by delivering it by hand to the Office;
  - (b) by sending it by post in an envelope (with postage paid) to the Office; or
  - (c) by electronic means to the address notified by the Company in its communication to members for the purpose.
180. If a notice, document or information is delivered by hand, it is treated as being delivered at the time it is received at the Office.
181. If a notice, document or information is sent by post, it is treated as being delivered at the time it is received at the Office.

182. If a notice, document or information is sent by electronic means, it is treated as being delivered at the time it was received.
183. A notice, document or information sent or supplied to the Company by electronic means will not be treated as received by the Company if it is rejected by computer virus protection or electronic or internet security arrangement.
184. This Clause does not affect any provision of the Act or the Constitution requiring notices or documents to be delivered in a particular way.

#### **MEMBERS WITH FOREIGN ADDRESSES**

185. Subject to the Act, SICDA and Rules, the Company does not have to send notices, documents or information to a member whose address on the register of members is outside Malaysia. This Clause applies to joint shareholders with an address outside Malaysia.

#### **NOTICES**

186. A notice or other document shall be served by the Company or the Secretary on any member or Director, as the case may be, either personally or by post or by courier or facsimile or other electronic means addressed to such member or Director at his registered address as appearing in the Records of Depositors and the Register of Directors, 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 or by way of an advertisement made in at least one (1) Bahasa Malaysia or English daily newspaper circulating in Malaysia or any media form endorsed by the relevant authorities from time to time.
187. A notice or other document if served by post or courier shall be deemed to be served in the case of a member or Director having an address for service in Malaysia twenty four (24) hours following that on which a properly stamped letter containing the same is posted within Malaysia or document was consigned to the courier company 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 Whereas for notice or other document delivered by hand or electronic means shall be deemed served at the time of delivery. Any notice required to be given by the Company to the Members and not expressly provided for by these Articles shall be sufficiently given by advertisement as mentioned in this Constitution.
188. A notice or other document may also be served by the Company or the Secretary on any member or Director via facsimile or any electronic means (with confirmed answerback by post or by any other electrical form or electronic means) to such member or Director at the communication number or electronic means of address of such member or Director appearing in the Register of Directors or Record of Depositors or specified by such member or Director to the Company or the Secretary for the time being.
189. Every person who, by operation of law, transfer, transmission or other means whatsoever, shall become entitled to any security, shall be bound by every notice in respect of such security, which, previously to his name and address being entered in the Record of Depositors as the registered holder of such security, shall have been duly given to the person from whom he derives the title to such security provided always that a person entitled to a security 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 security, 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 in the share.
190. Subject always to the provisions of this Constitution, any notice or document delivered or sent by post or by hand to the registered address appearing in the Record of Depositors or by facsimile or electronic means to communication number or electronic means of address specified by any member to the Company or the Secretary 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.

191. (1) Notice of every general meeting shall be given in any manner hereinbefore authorised to:-
- (a) every member;
  - (b) every person entitled to a share in consequence of the death or bankruptcy of a member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting;
  - (c) the auditor for the time being of the Company; and
  - (d) the Exchange or any stock exchange where the Company's shares is listed.
- (2) Save as otherwise provided in this Constitution or in the Act, no other person shall be entitled to receive notice of general meetings.
- (3) Any notices on behalf of the Company or of the Board shall be deemed effectual if it purports to bear the signature of the Secretary or other duly authorised officer of the Company.
- (4) The signature to any notice to be given by the Company may be written or printed.

#### **LANGUAGE**

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

#### **AUTHENTICATION OF DOCUMENTS**

193. Any Director or the Secretary or any person appointed by the Director for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; 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.

#### **WINDING UP**

194. If the Company is wound up, 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 securities whereon there is any liability.
195. 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:-
- (a) if the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up at commencement of the winding-up, on the securities held by them respectively; and
  - (b) 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.
196. On a voluntary winding up or liquidation of the Company, no commission or fee shall be paid to a liquidator unless it has been approved by the members. The amount of such payment shall be notified to all members at least seven (7) days before the meeting at which it is to be considered.

## **SECRECY CLAUSE**

197. 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**

198. (1) Subject to the provisions of the Act, every officer and auditor for the time being of the Company shall be indemnified, with the approval of the Directors, out of the assets of the Company against any liability incurred by him in or about the execution of his duties of his office or otherwise in relation thereto, including defending any claims or proceedings relating to any such liability, whether civil or criminal, in which judgment 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 under the Act or where proceedings are discontinued or not pursued.
- (2) Subject to the provisions of the Act, the Company may, with the prior approval of the directors, effect insurance for an officer or auditor of the Company in respect of the following:-
- (a) civil liability, for any act or omission in his capacity as an officer of the Company;
  - (b) costs incurred by him in defending or settling any claim or proceeding relating to any such liability; or
  - (c) costs incurred by him in defending any proceedings that have been brought against him in relation to any act or omission in his capacity as an officer or auditor which he has been acquitted or granted relief under the Act or where proceedings have been discontinued or not pursued.

The word “**Officer**” in this Clause shall include:-

- (a) any director, manager, secretary or employee of the Company;
- (b) a receiver and manager of any part of the undertaking of the Company appointed under a power contained in any instrument; and
- (c) any liquidator of the Company appointed in a voluntary winding up, but does not include any receiver who is not also a manager, any receiver and manager appointed by the High Court or any liquidator appointed by the High Court or by the Directors.

## **RECONSTRUCTION**

199. 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 member 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 are incapable of being varied or excluded by this Constitution.

## **ALTERATION OF THIS CONSTITUTION**

200. The Company shall not delete, amend or add to any of this Constitution of which have been previously approved by the Exchange, unless prior written approval has been sought and obtained from the Exchange for such deletion, amendment or addition.
201. The Company shall comply with the provisions of the relevant governing statutes, regulations and rules as may be amended, modified or varied from time to time, or any other directive or requirement imposed by the Exchange, the Depository and other appropriate authorities, to the extent required by law, notwithstanding any provisions in this Constitution to the contrary.

## **EFFECT OF LISTING REQUIREMENTS**

202. (1) Notwithstanding anything contained in these articles, if the Listing Requirements prohibit an act being done, the act shall not be done.
- (2) Nothing contained in these articles prevents an act being done that the Listing Requirements require to be done.
- (3) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (4) If the Listing Requirements require these articles to contain a provision and they do not contain such a provision, these articles are deemed to contain that provision.
- (5) If the Listing Requirements require these articles not to contain a provision and they contain such a provision, these articles are deemed not to contain that provision.
- (6) If any provision of these articles is or becomes inconsistent with Listing Requirements, these articles are deemed not to contain that provision to the extent of the inconsistency.

## **LODGER INFORMATION**

Name : WONG MEE CHOON (MACS 01562)

NRIC No : 640707-07-5328

Address : 1<sup>ST</sup> FLOOR, ACCTAX CORPORATE CENTRE, NO. 2 JALAN BAWASAH,  
10050 GEORGETOWN, PULAU PINANG.

Phone No : 04-2280020

Email : cchsec@gmail.com



## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fifth (25<sup>th</sup>) Annual General Meeting (“AGM”) of Kobay Technology Bhd. will be held at 4<sup>th</sup> Floor, Wisma Kobay, No. 42-B, Jalan Rangoon, 10400 Georgetown, Penang on Thursday, 21 November 2019 at 2.30 p.m. for the following purposes:-

### ORDINARY BUSINESS

1.	To receive the Audited Financial Statements for the financial year ended 30 June 2019 and the Reports of the Directors and Auditors thereon.	
2.	To approve the payment of first and final single tier dividend of 3.0 sen in respect of the financial year ended 30 June 2019.	Resolution 1
3.	To retain Dr. Mohamad Zabdi Bin Zamrod as Independent and Non-executive Director in accordance with Malaysian Code of Corporate Governance 2017.	Resolution 2
4.	To retain Mr. Khaw Eng Peng as Senior Independent and Non-executive Director in accordance with Malaysian Code on Corporate Governance 2017.	Resolution 3
5.	To re-elect Dato’ Seri Koay Hean Eng as Company Director, who retires in accordance with Article 95 of the Company’s Constitution (“Articles of Association”).	Resolution 4
6.	To re-elect Mr. Lim Swee Chuan as Company Director, who retires in accordance with Article 95 of the Company’s Constitution (“Articles of Association”).	Resolution 5
7.	To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company and to authorize the Directors to fix their remuneration.	Resolution 6
<b>SPECIAL BUSINESS</b>		
To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:		
8.	<b>ORDINARY RESOLUTION</b> <b>PAYMENT OF DIRECTORS’ FEES</b> “THAT the payment of Directors’ fees totaling Ringgit Malaysia Twenty Two Thousand Five Hundred (RM22,500) only to the Non-executive Directors for the financial year ended 30 June 2019 be and is hereby approved.”	Resolution 7
9.	<b>ORDINARY RESOLUTION</b> <b>AUTHORITY TO ISSUE SHARES IN ACCORDANCE TO SECTION 75 AND 76 OF THE COMPANIES ACT, 2016</b> “THAT subject always to the Companies Act, 2016 (“the Act”) and the approvals from the relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered pursuant to Section 75 and 76 of the Act, to issue and allot shares in the capital of the Company from time to time upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit PROVIDED THAT the aggregate number of shares to be issued (inclusive employee share option scheme exercised by the employees, if any) pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Directors are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad (“Bursa Securities”) AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company.”	Resolution 8

10.	<p><b>ORDINARY RESOLUTION</b></p> <p><b>PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY</b></p> <p>“THAT subject to the compliance by the Company with all applicable laws, regulations and guidelines pursuant to the Act, the Company’s Constitution (“Articles of Association”), the Main Market Listing Requirements of Bursa Securities and the approvals of all relevant authorities, the Company be and is hereby authorized to purchase and/or hold such amount of ordinary shares in the Company (“shares”) as may be determined by the Directors of the Company from time to time through the Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company PROVIDED THAT the maximum number of shares purchased and/or held pursuant to this resolution does not exceed ten per cent (10%) of the total issued share capital of the Company at any given point in time and that the maximum amount of fund allocated by the Company for the purpose of purchasing the shares shall not exceed the retained profits account of the Company.</p> <p>THAT authority be and is hereby given to the Directors to treat the shares so purchased by the Company pursuant to this Proposed Share Buy-back in accordance with the provision of the Act, which allows a Company that has purchased its own shares to either retain part of or entire shares as treasury shares or cancel part of or entire shares, or a combination of both. The shares so retained as treasury shares by the Company may, either be distributed as share dividends to shareholders or resell on Bursa Securities or in any manner pursuant to the Act, Bursa Securities Listing Requirements or any other relevant authority for the time being in force.</p> <p>THAT such authority from the shareholders would be effective immediately upon passing of this resolution and would continue to be in force until:-</p> <ol style="list-style-type: none"> <li>the conclusion of the next AGM of the Company following the AGM at which such resolution was passed, at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions; or</li> <li>the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to sections 340 (1) &amp; (2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Companies Act, 2016); or</li> <li>revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting.</li> </ol> <p>whichever occurs first.</p> <p>AND THAT authority be and is hereby given to the Directors to take all such steps as are necessary or expedient to implement or to give effect of the Proposed Share Buy-back Authority with full powers to assent to any conditions, modifications, re-valuations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time.”</p>	Resolution 9
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11.	<p><b>ORDINARY RESOLUTION</b></p> <p><b>PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE</b></p> <p>“THAT pursuant to paragraph 10.09 of the Listing Requirements of Bursa Securities, a mandate of the shareholders be and is hereby granted to allow recurrent related party transactions of a revenue or trading nature ("RRPTs"), which are necessary for the day-to-day operations of the Company and/or its subsidiary companies (“Kobay Group”), to be entered into by the Kobay Group in the ordinary course of business, PROVIDED THAT such transactions are entered into at arm’s length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company, the particulars of such transactions are set out in Part B Section 2.4 of the Circular to Shareholders of Kobay dated 30 October 2019 (“Proposed Shareholders’ Mandate”);</p> <p>THAT disclosure of the breakdown of the aggregate value of transactions conducted will be made based on the type of RRPTs made, names of the related parties involved in each type of the RRPTs made and their relationship with the Company, in the annual report of the Company during the current financial year and in the annual report for the subsequent financial year during which the Proposed Shareholders’ Mandate is in force;</p> <p>THAT the authority conferred by this resolution shall commence immediately upon the passing of this Ordinary Resolution and shall continue to be in force until:-</p> <ol style="list-style-type: none"> <li>the conclusion of the next Annual General Meeting (“AGM”) of the Company, at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or</li> <li>the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to sections 340 (1) &amp; (2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Companies Act, 2016); or</li> <li>revoked or varied by resolution passed by the shareholders in a general meeting, whichever is earlier.</li> </ol> <p>AND THAT the Directors of the Company and/or any of them be and are hereby authorised to give effect to the Proposed Shareholders’ Mandate with full powers to deal with all matters relating thereto and to complete and do all acts and things (including executing such documents as may be required) in connection with the Proposed Shareholders’ Mandate.”</p>	Resolution 10
12.	<p><b>SPECIAL RESOLUTION</b></p> <p><b>PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY</b></p> <p>“THAT the Proposed Adoption of New Constitution as set out in <b>Appendix II</b> of this Circular, be and is hereby approved.</p> <p><b>AND THAT</b> the Directors and Secretary of the Company be and are hereby authorised to do all such acts, deeds and things to execute, sign and deliver all documents for and on behalf of the Company as they may consider necessary or expedient to give effect to and implement the Proposed Adoption of New Constitution with full power to assent to any conditions, modifications, variations and alterations as may be imposed or permitted by the relevant authorities.”</p>	Resolution 11
13.	To transact any other ordinary business of which due notice shall have been given.	

## **NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT**

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Twenty-Fifth (25<sup>th</sup>) Annual General Meeting, the first and final single tier dividend of 3.0 sen per ordinary share in respect of the financial year ended 30 June 2019 will be paid on 20 January 2020 to depositors registered in the Records of Depositors on 31 December 2019.

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

- a) Shares transferred into the depositor's securities account before 4.00 p.m. on 31 December 2019 in respect of ordinary transfers;
- b) Shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the rules of Bursa Securities.

**BY ORDER OF THE BOARD**

WONG MEE CHOON (MACS 01562)  
CHAN MUN SHEE (MAICSA 7003071)  
Company Secretaries

Penang, 30 October 2019

### **NOTES :**

1. A member of the Company entitled to attend and vote, is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. For the purpose of determining a member who shall be entitled to attend and vote at the AGM, the Company shall be requesting the Record of Depositors as at 5.00 p.m. on 13 November 2019. Only a depositor whose name appears on the Record of Depositors as at 5.00 p.m. on 13 November 2019 shall be entitled to attend and vote at the said meeting as well as for appointment of proxy/(ies) to attend and vote on his stead.
3. The instrument of appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or the appointer is a corporation, either under the corporation's seal, or under the hand of the attorney or duly authorized officer.
4. If a member appoints 2 proxies, the appointment will be invalid unless he states the percentage of his shareholding to be represented by each proxy.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 3<sup>rd</sup> Floor, Wisma Kobay, No.42-B, Jalan Rangoon, 10400 Georgetown, Penang not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof, either by hand, post or fax to (04)-2261363. In the case where the member is a corporation and the proxy form is delivered by fax, the original form shall also be deposited at the Registered Office, either by hand or post not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

## **EXPLANATORY NOTES :**

### **Resolution 2**

In accordance with Malaysian Code on Corporate Governance 2017, the Nominating Committee has assessed the independency of Dr. Mohamad Zabdi Bin Zamrod, who has served as Independent and Non-executive Director for a cumulative term of more than 12 years, and recommended to Board of Directors to retain Dr. Mohamad Zabdi Bin Zamrod as Independent and Non-executive Director whereby the Board recommends and proposes to the shareholders' approval in two (2) tier voting to retain Dr. Mohamad Zabdi Bin Zamrod as Independent and Non-executive Director of the Company on the following justifications :-

- 1) He has fulfilled the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad thus enable him to perform a check and balance role in the Board;
- 2) He has performed his duty diligently and in the best interest of the Company with his experience and independent view from a different perspective of the management; and
- 3) He does not hold any shares in the Company, no relationship with other Board members nor having any business dealing or transaction with the Company or the Group before his appointment till to-date.

### **Resolution 3**

In accordance with Malaysian Code on Corporate Governance 2017, the Nominating Committee has assessed the independency of Mr. Khaw Eng Peng, who has served as Senior Independent and Non-executive Director for a cumulative term of 9 years, and recommended to Board of Directors to retain Mr. Khaw Eng Peng as Senior Independent and Non-executive Director whereby the Board recommends and proposes to the shareholders' approval in one (1) tier voting to retain Mr. Khaw Eng Peng as Senior Independent and Non-executive Director of the Company on the following justifications :-

- 1) He has fulfilled the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad thus enable him to perform a check and balance role in the Board;
- 2) He has performed his duty diligently and in the best interest of the Company with his experience and independent view from a different perspective of the management; and
- 3) He does not hold any shares in the Company, no relationship with other Board members nor having any business dealing or transaction with the Company or the Group before his appointment till to-date.

### **Resolution 7**

The proposed Ordinary Resolution under item 8 is to obtain shareholders' approval for the payment of Directors' fees totalling Ringgit Malaysia Twenty Two Thousand Five Hundred (RM22,500) only to three (3) Non-executive Directors for the financial year ended 30 June 2019 as required under Article 103 of the Company's Constitution ("Articles of Association").

### **Resolution 8**

A mandate was sought and approved by the members during the Twenty-fourth (24<sup>th</sup>) AGM held on 22 November 2018. No new shares were issued and no proceeds were raised from the previous mandate.

If the proposed Ordinary Resolution is passed, the Directors will be empowered to issue and allot shares in the Company at any time and for such purposes as the Directors consider would be in the interests of the Company up to an aggregate not exceeding 10% of the Company's issued capital (of which is not inter-conditional with the other corporate exercise carried out by the Group) without the need to convene separate general meetings to obtain its shareholders' approval so as to avoid incurring additional cost and time. This authority unless revoked or varied at the general meeting, will expire at the next AGM.

The mandate will provide flexibility to the Company for any possible fund raising exercises including but not limited to placing of shares for the purpose of funding future investment project(s), working capital and/or acquisition(s) and such other application as the Directors may deem fit and in the best interest of the Company.

#### Resolution 9

The proposed Ordinary Resolution under item 10 is of renewal and if passed, will allow the Company to purchase up to ten per cent (10%) of the issued share capital of the Company, excluding treasury shares retained by the Company at any given point in time. This authority unless revoked or varied at the general meeting, will expire at the next AGM. The details of this proposal are set out in the Statement to Shareholders dated 30 October 2019.

#### Resolution 10

The proposed Ordinary Resolution under item 11, if passed, will allow the Group to enter into recurrent related parties transactions of a revenue or trading nature and in the ordinary course of business which are necessary for day-to-day operations pursuant to Paragraph 10.09(1) of the Bursa Malaysia Securities Berhad's Listing Requirements. The details of this proposal are set out in Part B of the Circular to Shareholders dated 30 October 2019.

#### Resolution 11

The proposed Ordinary Resolution under item 12, if passed, will bring the Company's Constitution in line with the enforcement of the Companies Act 2016, which came into force on 31 January 2017 and the updated provisions of the Main Market Listing Requirements of Bursa Securities. The Proposed Adoption is set out in Part C of the Circular to Shareholders dated 30 October 2019 which is dispatched together with the Company's Annual Report 2019.

### **STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING**

The profile of the Directors who are standing for re-appointment and re-election (as per Resolution 2-5 as stated in the Notice of Annual General Meeting) at the Twenty-Fifth (25<sup>th</sup>) Annual General Meeting of Kobay Technology Bhd. which will be held at 4<sup>th</sup> Floor, Wisma Kobay, No. 42-B, Jalan Rangoon, 10400 Georgetown, Penang on Thursday, 21 November 2019 at 2.30 p.m., are stated on page 9 &10 of the Annual Report 2019.

There is no individual standing for election as new Director (excluding Directors standing for re-election) at this forthcoming Annual General Meeting.

**PROXY FORM**

I / We ..... (FULL NAME IN BLOCK LETTERS), NRIC /Passport/Company No.:  
..... of .....(ADDRESS)  
being a member / members of Kobay Technology Bhd. hereby appoint .....  
NRIC/Passport/Company No.: ..... of .....  
or failing him, .....NRIC/Passport/Company No.: ..... of .....  
or failing him/her, Chairman of the Meeting as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the  
Twenty-Fifth (25<sup>th</sup>) Annual General Meeting of the Company to be held at 4<sup>th</sup> Floor, Wisma Kobay, No. 42-B, Jalan Rangoon,  
10400 Georgetown, Penang on Thursday, 21 November 2019 at 2.30 p.m. or at any adjournment thereof in the manner  
indicated below:-

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the meeting as indicated hereunder.  
If no specific directions as to voting is given or in the event of any item arising not summarised below, my/our proxy/proxies  
may vote or abstain from voting at his/her discretion.

Resolution No.	Resolution/(s)	For*	Against*
1	Payment of first and final single tier dividend of 3.0 sen for the year ended 30 June 2019		
2	Retain Dr. Mohamad Zabdi Bin Zamrod as Independent and Non-executive Director		
3	Retain Mr. Khaw Eng Peng as Senior Independent and Non-executive Director		
4	Re-election of Dato' Seri Koay Hean Eng as Director		
5	Re-election of Mr. Lim Swee Chuan as Director		
6	Re-appointment Messrs. Crowe Malaysia PLT as Auditors		
7	Payment of Directors' fees		
8	Authority to Directors to issue shares under Section 75 and 76 of the Companies Act 2016		
9	Proposed Renewal of Share Buy-back Authority		
10	Proposed Renewal of Shareholders' Mandate for RRPTs of a Revenue or Trading Nature		
11	Proposed Adoption of New Constitution of the Company		

\* Please indicate your vote "For" or "Against" with an "X" within the box provided.

Total number of Shares held	
CDS Account Number	

Signed this ..... day of ....., 2019.

.....  
Signature / Common Seal of Shareholder(s)

**NOTES :**

1. A member of the Company entitled to attend and vote, is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. For the purpose of determining a member who shall be entitled to attend and vote at the AGM, the Company shall be requesting the Record of Depositors as at 5.00 p.m. on 13 November 2019. Only a depositor whose name appears on the Record of Depositors as at 5.00 p.m. on 13 November 2019 shall be entitled to attend and vote at the said meeting as well as for appointment of proxy/(ies) to attend and vote on his stead.
3. The instrument of appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or the appointer is a corporation, either under the corporation's seal, or under the hand of the attorney or duly authorized officer.
4. If a member appoints 2 proxies, the appointment will be invalid unless he states the percentage of his shareholding to be represented by each proxy.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 3rd Floor, Wisma Kobay, No. 42-B, Jalan Rangoon, 10400 Georgetown, Penang not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof, either by hand, post or fax to 04-2261363. In the case where the member is a corporation and the proxy form is delivered by fax, the original form shall also be deposited at the Registered Office, either by hand or post not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

STAMP

The Company Secretaries  
**KOBAY TECHNOLOGY BHD.**

3<sup>rd</sup> Floor, Wisma Kobay,  
No. 42-B, Jalan Rangoon,  
10400 Georgetown,  
Penang.



**To the Shareholders of Kobay Technology Bhd.**

**ANNUAL REPORT 2019**

Please be informed that the printed copy of the Company's Annual Report 2019 is available upon request.

Should you require a copy of the Annual Report, please fill in your details below and mail it to the Company Secretaries. A hard copy of the Annual Report will be mailed to you within 4 market days from the date of receipt of the written request.

Shareholders may contact the Company Secretary for any queries and request at:

3<sup>rd</sup> Floor, Wisma Kobay,  
No. 42-B, Jalan Rangoon,  
10400 Georgetown, Penang  
e-mail: [cosec@kobaytech.com](mailto:cosec@kobaytech.com)  
website: [www.kobaytech.com](http://www.kobaytech.com)  
Tel: 04-3711338 ext 302 (Ms Chan) /04-2280020 (Ms Wong)  
Fax: 04-2261363/04-2280023

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Please send me a copy of Kobay Technology Bhd.'s Annual Report 2019

No. of Shares	
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Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Tel: \_\_\_\_\_

STAMP

The Company Secretaries  
**KOBAY TECHNOLOGY BHD.**

3<sup>rd</sup> Floor, Wisma Kobay,  
No. 42-B, Jalan Rangoon,  
10400 Georgetown,  
Penang.



