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**TSH RESOURCES BERHAD**

(Company No.: 49548-D)

(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

**PART A**

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

**PART B**

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

**PART C**

**PROPOSED ADOPTION OF A NEW COMPANY’S CONSTITUTION**

The Notice of Thirty-Eighth Annual General Meeting as set out in the Company’s 2017 Abridged Annual Report is sent to you together with this Circular. The Thirty-Eighth Annual General Meeting will be held at Ballroom 2, LG Level, Eastin Hotel, 13, Section 16/11, Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan on 24 May 2018 at 10.00 a.m. Shareholders are advised to refer to the Notice of Thirty-Eighth Annual General Meeting and the Form of Proxy which are included in the Company’s 2017 Abridged Annual Report.

A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the depositor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal and shall be deposited at the Registered Office of the Company at Level 10, Menara TSH, No. 8 Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, not less than 48 hours before the time appointed for holding this meeting or adjourned meeting.

Where a member appoints two (2) or more proxies to attend the same meeting, the member shall specify the proportion of his shareholdings to be represented by each proxy. If the Proxy Form is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit and if no names are inserted in the space for the name of proxy, the Chairman of the meeting will act as proxy.

Last date and time for lodging the Form of Proxy : Tuesday on 22 May 2018 at 10.00 a.m.

Date and time of the Thirty-Eighth Annual General Meeting : Thursday on 24 May 2018 at 10.00 a.m.

## DEFINITIONS

Unless where the context otherwise requires, the following definitions shall apply throughout this Circular:-

“Act”	: Companies Act 2016, as amended from time to time and any re-enactment thereof
“AGM”	: Annual General Meeting
“Board”	: The Board of Directors of TSH
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“Constitution”	: The Constitution of the Company
“Director(s)”	: The directors of TSH, and shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 and for the purpose of the Proposed Renewal of the Existing Shareholders’ Mandate, 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, a Director of TSH or any other company which is its subsidiary or holding company or a chief executive officer of TSH, its subsidiary or holding company
“EPS”	: Earnings per share
“Existing Shareholders’ Mandate”	: The Shareholders’ Mandate for TSH Group to enter into Recurrent Related Party Transactions of a revenue or trading nature with the Related Parties for which approval from the shareholders was obtained during the 37 <sup>th</sup> AGM held on 25 May 2017
“Listing Requirements”	: The Bursa Securities Main Market Listing Requirements including any amendments to the same that may be made from time to time
“Major Shareholder”	: A person who has an interest or interests in one or more voting shares in a company and the number or aggregate number of those shares is:-  (a) 10% or more of the total number of voting shares in the Company; or  (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.  For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act and for the purpose of the Proposed Renewal of the Existing Shareholders’ Mandate, 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, a major shareholder of TSH or its subsidiaries or holding company
“NA”	: Net assets attributable to ordinary equity holders of TSH
“Prevailing Laws”	: Any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities including but not limited to the Listing Requirements
“Proposed Adoption”	: Proposed Adoption of a New Company’s Constitution
“Proposed Renewal of the Authority for Share Buy-Back” or “Proposed Share Buy-Back”	: Proposal to enable TSH to purchase and hold its own shares of up to ten percent (10%) of its issued share capital
“Proposed Renewal of the Existing Shareholders’ Mandate”	: Proposed Renewal of the Existing Shareholders’ Mandate for which approval from the shareholders is being sought at the forthcoming AGM
“Purchased Shares”	: TSH Shares purchased pursuant to the Proposed Share Buy-Back

“Related Party(ies)”	:	A Director, Major Shareholder or person connected with such Director or Major Shareholder
“Recurrent Transactions” or “Recurrent Related Party Transactions”	:	Related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for TSH Group’s day-to-day operations and are in the ordinary course of business of the TSH Group
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“Rules”	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions 2016 as amended from time to time and any re-enactment thereof
“Substantial Shareholders”	:	Meaning given in Section 136 of the Act
“TSH” or “the Company”	:	TSH Resources Berhad
“TSH Group” and “the Group”	:	TSH and its subsidiaries
“TSH Shares” or “shares”	:	Ordinary shares in TSH

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

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

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

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**PART A**

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



## **TSH RESOURCES BERHAD**

(Company No.: 49548-D)  
(Incorporated in Malaysia)

### **Registered Office**

Level 10, Menara TSH  
No. 8 Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur

25 April 2018

### **Board of Directors:-**

Datuk (Dr.) Kelvin Tan Aik Pen (Chairman, Non-Independent Non-Executive Director)  
Dato' Tan Aik Sim (Group Managing Director)  
Datuk Jaswant Singh Kler (Independent Non-Executive Director)  
Dato' Jasmy bin Ismail (Independent Non-Executive Director)  
Selina binti Yeop Junior @ Lope (Independent Non-Executive Director)  
Yap Boon Teck (Independent Non-Executive Director)  
Tan Aik Kiong (Group Executive Director)  
Chew Siew Yeng (Non-Independent Non-Executive Director)  
Tan Aik Yong (Executive Director)  
Lim Fook Hin (Non-Independent Non-Executive Director)

**To : The Shareholders of TSH**

Dear Sir/Madam

### **PROPOSED RENEWAL OF THE AUTHORITY FOR SHARE BUY-BACK**

#### **1. INTRODUCTION**

At the Company's AGM held on 25 May 2017, your Board had obtained your approval for the Directors to purchase and hold its own shares of up to a maximum of ten percent (10%) of its issued share capital through the Bursa Securities.

The said authorisation shall, in accordance with the Listing Requirements, expire at the conclusion of the forthcoming AGM unless a new mandate is obtained from you authorising the Directors to buy back shares of the Company.

Your Company had on 27 February 2018 announced that it will seek shareholders' approval on the Proposed Renewal of the Authority for Share Buy-Back at the forthcoming AGM to be held on 24 May 2018.

The purpose of this Circular is to provide you with details on the Proposed Renewal of the Authority for Share Buy-Back and to seek your approval for the Ordinary Resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming AGM.



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

Your Board proposes to seek your approval for a renewal of the authority to purchase and/or hold its own shares on Bursa Securities of up to 10% of the issued share capital of TSH at any point in time, subject to the Act, Listing Requirements and any Prevailing Laws, rules, regulations and guidelines issued by the relevant authorities at the time of purchase through its appointed stockbroker which was previously approved by the Bursa Securities.

For illustration purposes, the maximum number of TSH Shares which may be purchased by the Company based on the issued share capital and the number of treasury shares held as at 16 April 2018 are as follows:-

	<b>No. of shares</b>
Issued share capital	1,381,802,509
Proposed Share Buy-Back (10% thereof)	138,180,250
Less: Number of shares bought back and held as treasury shares	4,000
Maximum number of shares that may be further bought back	<u>138,176,250</u>

The authority for the Proposed Share Buy-Back will be effective immediately upon passing of the ordinary resolution for the Proposed Renewal of the Authority for Share Buy-Back until the conclusion of the next AGM of TSH unless earlier revoked or varied by ordinary resolution of shareholders of TSH in a general meeting.

Set out below are details of the Proposed Share Buy-Back:-

### 2.1 *Funding*

A sum of not exceeding the Company's audited retained profits will be allocated for the Proposed Share Buy-back. Based on the latest audited financial statements as at 31 December 2017, the retained profits of TSH amounted to RM260,609,000.

The Proposed Share Buy-Back will allow the Board of Directors of TSH to exercise the power of the Company to purchase and hold its own shares at any time within the abovementioned time period using the internally generated funds of TSH and/or bank borrowings. The actual number of shares to be purchased and held will depend on the prevailing equity market conditions and sentiments of the Bursa Securities as well as the retained profits, financial resources and bank borrowings and repayment capabilities of the Company at the time of purchase(s). In the event that TSH decides to utilise bank borrowings to finance the Proposed Share Buy-Back, it will ensure that it has sufficient financial capability to repay the bank borrowings and that the bank borrowings is not expected to have a material impact on the cash flow of the Company.

### 2.2 *Treatment of Purchased Shares*

The TSH Shares purchased by the Company will be dealt with by the Directors in accordance with Section 127 of the Act, in the following manner:

- (i) cancel the shares so purchased; or
- (ii) retain the shares so purchased as treasury shares and held by the Company; or
- (iii) retain part of the shares so purchased as treasury shares and cancel the remainder; or
- (iv) distribute the treasury shares as dividends to shareholders and/or resell on Bursa Securities and/or cancel all or part of them; or
- (v) transfer all or part of the treasury shares for purposes of an employees' share scheme, and/or as purchase consideration; or

in any other manner as prescribed by the Act, rules, regulations and guidelines pursuant to the Act, the Listing Requirements and other relevant guidelines issued by Bursa Securities and any other relevant authority for the time being in force.

While the Purchased Shares are held as treasury shares, the rights attached on them as to voting, dividends and participation in other distribution and otherwise are suspended and the Purchased Shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

### 2.3 ***The Purchase Price***

TSH may only purchase its own shares on the Bursa Securities at a price which is not more than fifteen percent (15%) above the weighted average market price of TSH Shares for the five (5) market days immediately before the date of the purchase(s).

### 2.4 ***The Resale Price***

TSH may only resell the Purchased Shares held as treasury shares at:-

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

### 2.5 ***Public Shareholding Spread***

According to the Record of Depositors maintained by the Bursa Depository and Register of Substantial Shareholdings, the public shareholding spread of TSH as at 16 April 2018 is 43.14% held by 6,274 public shareholders. Assuming that the Proposed Share Buy-Back is implemented up to ten percent (10%) of the issued share capital of TSH and that the number of TSH Shares held by substantial shareholders and Directors of TSH remain unchanged, the public shareholding spread of TSH is expected to be 36.83%

Notwithstanding the above, your Board, in implementing the Proposed Share Buy-Back, will be mindful in ensuring that the minimum public shareholding spread of 25% is met and maintained.

### 2.6 ***Potential Advantages and Disadvantages of the Proposed Share Buy-Back***

The Proposed Share Buy-Back will reduce the financial resources of TSH. This may result in TSH forgoing other investment opportunities that may emerge in the future and also reduction of financial resources available for distribution in the form of cash dividends to shareholders of TSH.

However, the financial resources of TSH will increase upon sale of the Purchased Shares which are held as treasury shares at prices higher than the purchase price. Your Board undertakes to buy back TSH Shares only after giving due consideration to the potential impact on the TSH Group's earnings and only if they are of the opinion that it would be in the best interest of the Company.

## 2.7 *Implications relating to the Rules*

Based on the shareholdings as at 16 April 2018, Datuk (Dr.) Kelvin Tan Aik Pen, Dato' Tan Aik Sim, Tan Aik Kiong and Tan Aik Yong together with persons acting in concert, hold more than 33% but less than 50% of the voting shares of the Company. In the event that that share buy-back exercise results in the shareholdings of any of the above parties being affected, the said person or group of persons acting in concert will be obliged to make a mandatory general offer for the remaining TSH Shares not held by him/them. However, an exemption from a mandatory offer obligation may be granted by the Securities Commission under the Rules, subject to the affected person and the parties acting in concert complying with certain conditions, if obligation is triggered as a result of action outside their direct participation.

As it is not intended for the share buy-back exercise to trigger the obligation to undertake a mandatory general offer by any of its substantial shareholders and/or parties acting in concert with them, the Company is mindful that only such number of shares are purchased, retained as treasury shares, cancelled or distributed such that the Rules will not be triggered. However, in the event that an obligation to undertake a mandatory offer should arise with respect to any parties from the share buy-back exercise, the relevant parties shall make necessary application to Securities Commission for an exemption from undertaking a mandatory offer under the Rules before a mandatory offer is triggered.

## 2.8 *Purchases and resale made in the previous twelve (12) months*

The Company did not purchase any TSH Shares in the previous twelve (12) months. The total number of TSH Shares held as treasury shares as at 16 April 2018, being the last practicable date prior to the printing of this Circular was 4,000. None of the shares purchased were resold or cancelled.

## 2.9 *Share Prices*

The monthly highest and lowest prices of the shares traded on the Bursa Securities for the last twelve (12) months are as follows:-

	<b>Highest</b>	<b>Lowest</b>
	<b>RM</b>	<b>RM</b>
<b>2017</b>		
April	1.85	1.74
May	1.82	1.74
June	1.81	1.71
July	1.76	1.56
August	1.73	1.65
September	1.71	1.64
October	1.71	1.64
November	1.70	1.63
December	1.68	1.63
<b>2018</b>		
January	1.68	1.61
February	1.66	1.57
March	1.60	1.43
Last transacted price of TSH Shares on 27 February 2018 (being the last transacted price prior to the announcement of the Proposed Share Buy-Back)		RM1.57
Last transacted price of the shares on 19 April 2018 (being the last practicable date prior to the printing of this Circular)		RM1.37

(Source : Yahoo Finance)

### 3. **RATIONALE FOR THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back, if approved and exercised, is expected to potentially benefit the Company and its shareholders as follows:-

- (a) earnings and NA per share of TSH may increase when the Purchased Shares are cancelled, thereby making the shares more attractive to investors; and
- (b) if the Purchased Shares are kept as treasury shares, it will give Directors an option to subsequently sell the shares so purchased at a higher price and therefore making an exceptional gain for the Company. Alternatively, the shares so purchased can be distributed as share dividends to shareholders.

### 4. **EFFECTS OF THE PROPOSED SHARE BUY-BACK**

The effects of the Proposed Share Buy-Back on the share capital, NA, working capital, earnings and shareholdings of the Directors and substantial shareholders of TSH set out below are based on the assumption that the Company purchases up to the maximum ten percent (10%) of the issued share capital of TSH.

#### 4.1 ***Share Capital***

In the event that all the Purchased Shares are cancelled, the issued share capital of TSH as at 16 April 2018, subsequent to the completion of the Proposed Share Buy-Back, will be reduced from 1,381,802,509 ordinary shares to 1,243,622,259 ordinary shares.

In the event that all Purchased Shares are held as treasury shares, the Proposed Share Buy-Back will not have any effect on the issued share capital of TSH. However, the rights attaching to treasury shares as to voting, dividends and participation in other distributions and otherwise would be suspended.

#### 4.2 ***NA***

##### **Purchase of Shares**

The Proposed Share Buy-Back may increase or decrease the NA per share depending on the purchase price(s) of the TSH Shares to be bought pursuant to the Proposed Share Buy-Back. The NA per share is likely to increase if the purchase price is less than the NA per share and decrease if the purchase price exceeds the NA per share at the time when TSH Shares are purchased.

##### **Resale of Treasury Shares**

The resale of treasury shares may increase or decrease the NA per share depending on the resale price(s) of the TSH Shares to be sold pursuant to the Proposed Share Buy-Back. The NA per share is likely to increase if the resale price of the shares so purchased is more than the prevailing NA per share and decrease if the resale price of the shares so purchased is less than the prevailing NA per share.

#### 4.3 ***Working Capital***

The Proposed Share Buy-Back is likely to reduce the working capital of TSH Group, the quantum of which depends on the purchase price of the shares, the number of shares purchased and the effective funding cost to TSH.

#### 4.4 ***EPS***

The effect of the Proposed Share Buy-Back on the EPS of TSH Group will depend on, inter-alia, the number of shares purchased and the purchase price(s) of the shares.

#### 4.5 *Dividend*

For the financial year ended 31 December 2017, your Board proposed to pay a first and final single tier dividend of 2.0 sen per ordinary share which was announced by the Company on 27 February 2018 subject to the approval of shareholders at the forthcoming AGM.

Assuming the Proposed Share Buy-Back is implemented in full, dividend would be paid on the remaining share capital of TSH (excluding the shares already purchased). The Proposed Share Buy-Back may have an impact on the Company's dividend policy for the financial year ending 31 December 2018 as it would reduce the cash available which may otherwise be used for dividend payments. Nonetheless, the treasury shares purchased may be distributed as dividends to shareholders of the Company, if the Company so decides.

The Company has closely observed its policy of distributing 20% to 30% dividend payout calculated on its net profit for the past few years. The Company will continue to adhere to this policy.

#### 5. **DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS**

The Directors, substantial shareholders and person(s) connected with the Directors and/or substantial shareholders of TSH have no direct or indirect interest in the Proposed Share Buy-Back and resale of treasury shares, if any.

Based on the Register of Directors and Register of Substantial Shareholders as at 16 April 2018 and assuming TSH implements the Proposed Share Buy-Back in full and that the shares purchased are from public shareholders, the effect of the Proposed Share Buy-Back on the shareholdings of the Directors and Substantial Shareholders are set out as follows:-

##### (i) **Directors' Shareholdings**

	< -----No. of ordinary shares held ----- >							
	Before the Proposed Share Buy-Back				After the Proposed Share Buy-Back			
	Direct	%	Indirect *	%	Direct	%	Indirect *	%
Datuk (Dr.) Kelvin Tan Aik Pen	168,801,517	12.22	-	-	168,801,517	13.57	-	-
Dato' Tan Aik Sim	53,289,664	3.86	-	-	53,289,664	4.29	-	-
Datuk Jaswant Singh Kler	6,250	**	-	-	6,250	**	-	-
Dato' Jasmy bin Ismail	-	-	-	-	-	-	-	-
Selina binti Yeop Junior @ Lope	-	-	-	-	-	-	-	-
Yap Boon Teck	-	-	-	-	-	-	-	-
Tan Aik Kiong	55,296,895	4.00	27,125	**	55,296,895	4.45	27,125	**
Chew Siew Yeng	-	-	210,000	0.02	-	-	210,000	0.02
Tan Aik Yong	53,846,817	3.90	-	-	53,846,817	4.33	-	-
Lim Fook Hin	1,602,000	0.12	4,500,000	0.33	1,602,000	0.13	4,500,000	0.36

Notes:

\* Deemed interested by virtue of Section 59(1)(c) of the Act.

\*\* Negligible

(ii) **Substantial Shareholders' Interests**

	< -----No. of ordinary shares held ----->							
	Before the Proposed Share Buy-Back				After the Proposed Share Buy-Back			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Datuk (Dr.) Kelvin Tan Aik Pen	168,801,517	12.22	-	-	168,801,517	13.57	-	-
Employees Provident Fund Board	91,076,700	6.59	-	-	91,076,700	7.32	-	-
Tunas Lestari Sdn Bhd	85,500,000	6.19	-	-	85,500,000	6.88	-	-
Embun Yakin Sdn Bhd	75,703,359	5.48	-	-	75,703,359	6.09	-	-

6. **APPROVAL REQUIRED**

The Proposed Share Buy-Back is subject to the approval of the shareholders of TSH at the forthcoming AGM.

7. **DIRECTORS' RECOMMENDATION**

Your Directors, having considered all aspects of the Proposed Share Buy-Back are of the opinion that the Proposed Share Buy-Back is in the best interest of the Company and its shareholders. Accordingly, your Directors recommend that you vote in favour of the Ordinary Resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

8. **AGM**

The Ordinary Resolution regarding the Proposed Share Buy-Back is stated in the Notice of AGM set out in the Company's 2017 Abridged Annual Report which is being sent to you together with this Circular. The AGM will be held at Ballroom 2, LG Level, Eastin Hotel, 13, Section 16/11, Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan on 24 May 2018 at 10.00 am.

If you are unable to attend and vote in person at the AGM, you are requested to complete and return the original Form of Proxy enclosed in the Company's 2017 Abridged Annual Report, in accordance with the instructions printed thereon, so as to arrive at the Registered Office of the Company at Level 10, Menara TSH, No. 8 Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur not later than forty-eight (48) hours before the time set for convening the AGM. The lodging of a Form of Proxy does not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

9. **FURTHER INFORMATION**

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

Yours faithfully  
For and on behalf of the Board of Directors  
of **TSH RESOURCES BERHAD**

**DATUK JASWANT SINGH KLER**  
Independent Non-Executive Director

**PART B**

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



## **TSH RESOURCES BERHAD**

(Company No.: 49548-D)  
(Incorporated in Malaysia)

### **Registered Office**

Level 10, Menara TSH  
No. 8 Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur

25 April 2018

### **Board of Directors:-**

Datuk (Dr.) Kelvin Tan Aik Pen (Chairman, Non-Independent Non-Executive Director)  
Dato' Tan Aik Sim (Group Managing Director)  
Datuk Jaswant Singh Kler (Independent Non-Executive Director)  
Dato' Jasmy bin Ismail (Independent Non-Executive Director)  
Selina binti Yeop Junior @ Lope (Independent Non-Executive Director)  
Yap Boon Teck (Independent Non-Executive Director)  
Tan Aik Kiong (Group Executive Director)  
Chew Siew Yeng (Non-Independent Non-Executive Director)  
Tan Aik Yong (Executive Director)  
Lim Fook Hin (Non-Independent Non-Executive Director)

**To : The Shareholders of TSH**

Dear Sir/Madam

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

#### **1. INTRODUCTION**

At the Company's 37<sup>th</sup> AGM held on 25 May 2017, the shareholders of the Company approved the Existing Shareholders' Mandate, the details of which were set out in the Circular to Shareholders dated 28 April 2017 and the Existing Shareholders' Mandate will expire at the conclusion of the forthcoming 38<sup>th</sup> AGM to be held on 24 May 2018.

The Company had on 27 February 2018 announced its intention to seek approval of its shareholders for the Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature.

The purpose of this Circular is to:-

- (a) provide you with details of the Proposed Renewal of the Existing Shareholders' Mandate to be entered into by TSH Group and its Related Parties;
- (b) set out the views of your Board of Directors; and
- (c) seek your approval for the Ordinary Resolution to be tabled at the forthcoming AGM.



2. **DETAILS OF THE PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS' MANDATE**

2.1 **Details of the Proposed Renewal of the Existing Shareholders' Mandate**

Part E, Chapter 10.09 of the Listing Requirements allows the Company to seek a shareholders' mandate for Recurrent Related Party Transactions which are of a revenue or trading nature necessary for the Group's day-to-day operations subject to the following:-

- the transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public;
- the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where;
  - (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Transaction is RM1.0 million or more; or
  - (ii) the percentage ratio of such Recurrent Transaction is 1% or more,whichever is the higher;
- 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
- immediately announce to Bursa Securities when actual value of the Recurrent Transactions exceeds the estimated value of Recurrent Transactions disclosed in the Circular by 10% or more and must include the information as may be prescribed by the Bursa Securities in the announcement.

The shareholders of the Company approved the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature with certain Related Parties at the 37<sup>th</sup> AGM of the Company held on 25 May 2017, the details of which were set out in the Circular dated 28 April 2017.

The Existing Shareholders' Mandate will require shareholders' approval for renewal when it expires at the conclusion of the forthcoming 38<sup>th</sup> AGM to be held on 24 May 2018.

The Proposed Renewal of the Existing Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Renewal of the Existing Shareholders' Mandate shall only continue to be in force until:-

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

whichever is the earlier.

## 2.2 Nature of Recurrent Related Party Transactions and class of Related Parties

The principal activities of TSH are investment holding, oil palm cultivation and forest plantation.

The principal activities of its subsidiaries are oil palm cultivation and processing.

The principal activities of the transacting parties are as follows:-

<i>Name of Company</i>	<i>Principal Activities</i>
TSH-Wilmar Sdn Bhd (“TSH-W”)	Operations of palm oil refinery and kernel crushing plant.
Serijaya Industri Sdn Bhd (“SJI”)	Operation of oil palm plantations and palm oil mill.

The Proposed Renewal of the Existing Shareholders’ Mandate will apply to transactions between the TSH Group and the transacting parties as stated above and details of the recurrent transactions are set out in the table below.

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## 2.2.1 Recurrent Transactions

<i>Name of Company/ Group Involved</i>	<i>Nature of Transaction</i>	<i>Transacting Party</i>	<i>Interested Directors/Major Shareholder/ Person(s) connected to them</i>	<i>(A) Estimated value* of transactions during validity of the Mandate (24 May 2018 to next AGM, by 30 June 2019) (RM)</i>	<i>(B) Estimated value under the Existing Shareholders' Mandate (preceding year's Circular to Shareholders dated 28 April 2017) (RM)</i>	<i>(C) Actual value ^ of transactions from 25 May 2017 to 30 March 2018 (RM)</i>	<i>Deviation where Actual value (C) exceeds the Estimated value (B) &amp; Reason (%)</i>
TSH Plantation Sdn. Bhd. ("TSHP") & TSH Plantation Management Sdn. Bhd. ("TSHPM") (Seller)	Sale of crude palm oil	TSH-W (Buyer)	1. Datuk (Dr.) Kelvin Tan Aik Pen 2. Dato' Tan Aik Sim 3. Tan Aik Kiong 4. Tan Aik Yong 5. Tan Soon Hong 6. Ong Yah Ho 7. Tan Ah Seng 8. Tan Aik Choon 9. Tan Ek Huat 10. Tan Aik Hwa 11. Chin Chui Fong	700,000,000	700,000,000	327,353,415	-
TSHP & TSHPM (Seller)	Sale of palm kernel	TSH-W (Buyer)	Same as disclosed above	200,000,000	100,000,000	72,820,156	-
TSHPM (Buyer)	Purchase of fresh fruit bunches	SJI (Seller)	Same as disclosed above	34,500,000	34,500,000	233,659	-

\* The estimated value is subject to change.

^ Actual value of transaction from the date on which the Existing Shareholders' Mandate was obtained up to the latest practicable date before the printing of this Circular i.e 30 March 2018.

Purchase prices and selling prices involving Recurrent Related Party Transactions are based on prevailing market prices or values.

## 2.2.2 Transaction for which renewal of mandate is not being sought

<i>Name of Company/ Group Involved</i>	<i>Nature of Transaction</i>	<i>Transacting Party</i>	<i>Interested Directors/Major Shareholder/ Person(s) connected to them</i>	<i>(A) Mandated Value (RM)</i>	<i>(B) Actual value (RM)</i>	<i>Deviation where Actual value (B) exceeds the Estimated value (A) &amp; Reason (%)</i>
TSHPM (Buyer)	Purchase of palm kernel	SJI (Seller)	Same as disclosed above	8,867,000	Nil	Nil

### 2.3 Amount due and owing to TSH Group

There is no amount due and owing by the Related Parties to TSH Group pursuant to the Recurrent Transactions as at 31 December 2017 which exceeded the credit terms.

### 2.4 Relationship with Related Parties

- (i) TSHP is a wholly-owned subsidiary of TSH.
- (ii) TSHPM is a sub-subsiary of TSH whereby 76% is owned by TSHP and 24% is owned by TSH.
- (iii) TSH-W is a joint venture company whereby 50% is owned by TSH and 50% is owned by Wilmar Edible Oils Sdn Bhd.
- (iv) SJI is a wholly-owned subsidiary of Innoprise Plantations Berhad (“Innoprise”). TSH is a Major Shareholder of Innoprise.
- (v) Datuk (Dr.) Kelvin Tan Aik Pen is a Director of TSH, TSH-W, SJI and Innoprise. He is a Major Shareholder of TSH, with a direct shareholding of 168,801,517 ordinary shares or 12.22% and also a shareholder of Innoprise, with a direct shareholding of 3,175,000 ordinary shares or 0.663%. He is the sibling of Dato’ Tan Aik Sim, Tan Aik Kiong and Tan Aik Yong.
- (vi) Dato’ Tan Aik Sim is a Director and shareholder of TSH with a direct shareholding of 53,289,664 ordinary or 3.86%. He is the sibling of Datuk (Dr.) Kelvin Tan Aik Pen, Tan Aik Kiong and Tan Aik Yong.
- (vii) Tan Aik Kiong is a Director of TSH, TSHP, TSHPM and TSH-W. He has a direct shareholding of 55,296,895 ordinary shares or 4.00% in TSH. He is also an Alternate Director and shareholder of Innoprise, with a direct shareholding of 750,000 ordinary shares or 0.157%. He is the sibling of Datuk (Dr.) Kelvin Tan Aik Pen, Dato’ Tan Aik Sim and Tan Aik Yong. He is deemed to have an indirect interests of 27,125 ordinary shares by virtue of his spouse’s shareholding in TSH pursuant to Section 59(11)(c) of the Act.
- (viii) Tan Aik Yong is a Director of TSH. He has a direct shareholding of 53,846,817 ordinary shares or 3.90% in TSH. He is the sibling of Datuk (Dr.) Kelvin Tan Aik Pen, Dato’ Tan Aik Sim and Tan Aik Kiong.
- (ix) Tan Soon Hong is a Director of TSHP and shareholder of TSH with a direct shareholding of 22,914,835 ordinary shares or 1.66%. He is the father of Datuk (Dr.) Kelvin Tan Aik Pen, Dato’ Tan Aik Sim, Tan Aik Kiong and Tan Aik Yong.
- (x) Tan Aik Choon, Tan Ek Huat and Tan Aik Hwa are Directors of TSH subsidiaries with direct shareholdings of 41,491,658 ordinary shares or 3.00%, 39,434,718 ordinary shares or 2.85% and 38,482,181 ordinary shares or 2.78% respectively in TSH. They are the siblings of Datuk (Dr) Kelvin Tan Aik Pen, Dato’ Tan Aik Sim, Tan Aik Kiong and Tan Aik Yong.
- (xi) Tan Ah Seng is the sibling of Datuk (Dr.) Kelvin Tan Aik Pen, Tan Aik Kiong, Dato’ Tan Aik Sim and Tan Aik Yong. He holds 36,654,089 ordinary shares or 2.65% in TSH.
- (xii) Ong Yah Ho, mother of Datuk (Dr.) Kelvin Tan Aik Pen, Dato’ Tan Aik Sim, Tan Aik Kiong and Tan Aik Yong, and Chin Chui Fong, spouse of Tan Aik Kiong, each holding 16,710,290 ordinary shares or 1.21% and 27,125 ordinary shares respectively in TSH.

## 2.5 Review and disclosure procedures

The review and disclosure procedures for the Recurrent Related Party Transactions of a revenue or trading nature are to establish and ensure that the transactions are conducted on arm's length basis, are based on normal commercial terms consistent with the Group's usual business practices and are on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interest of minority shareholders of the Company. The procedures are as follows:-

- (a) The Related Parties will be advised that they are subject to the Proposed Renewal of the Existing Shareholders' Mandate and will also be advised of the review and disclosure procedures followed by the Group;
- (b) Updated lists of Related Parties are circulated to the TSH Group to notify that all transactions with Related Parties are required to be undertaken on an arm's length basis, be on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public;
- (c) The Company maintains a record of all Recurrent Related Party Transactions entered into pursuant to the Proposed Renewal of the Existing Shareholders' Mandate submitted by TSH Group on quarterly basis;
- (d) The Audit Committee at its meetings will review any Recurrent Related Party Transactions of a revenue or trading nature and thereafter report to the Board. The Audit Committee shall review TSH's reporting system and procedures relating to Recurrent Related Party Transactions to ascertain that the established guidelines and procedures of the Company have been complied with and the Internal Auditor as part of his audit review will check to ensure that all transactions entered into pursuant to the Proposed Renewal of the Existing Shareholders' Mandate will be on an arm's length commercial terms and rate;
- (e) Interested Directors who are members of the Board and/or Audit Committee will abstain from taking part in decisions pertaining to the Recurrent Related Party Transactions of a revenue or trading nature, and will also ensure that they and any person(s) connected with them will also abstain from voting on the resolution relating to the Proposed Renewal of the Existing Shareholders' Mandate tabled at a General Meeting of the Company;
- (f) At least two (2) other contemporaneous transactions with unrelated third parties for similar products, services and/or quantities will be used as comparison wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of produces, services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the prevailing market norms and practices will be relied upon, taking into account the efficiency, quality and type of support services to be provided to ensure that the Recurrent Transactions are not detrimental to the Group.

There are no thresholds for approval of Recurrent Transactions as all transactions will be reviewed and approved by the Group Managing Director and/or Executive Directors.

## 2.6 Statement by Audit Committee

The Audit Committee of the Company has reviewed the terms of the Proposed Renewal of the Existing Shareholders' Mandate and is satisfied that the procedures for Recurrent Related Party Transactions are sufficient to ensure that such transactions 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.

The Group has in place adequate procedures and processes to monitor, track and identify Recurrent Transactions in a timely and orderly manner and such procedures and processes are reviewed on an annual basis or wherever the need arises.

## 2.7 Disclosure of Recurrent Related Party Transactions

Disclosure of the Recurrent Related Party Transactions will be made in accordance with Section 3.1.5 of the Practice Note 12 issued by Bursa Securities, which requires a breakdown of the aggregate value of the Recurrent Related Party Transactions entered into during the financial year, including amongst others, the following information:-

- (i) the type of Recurrent Related Party Transactions; and
- (ii) the names of the Related Parties involved in each type of Recurrent Related Party Transactions entered into and their relationship with the Company

pursuant to the Proposed Renewal of the Existing Shareholders' Mandate in the Company's Annual Report, and in the Annual Reports for subsequent financial years that the Proposed Renewal of the Existing Shareholders' Mandate continues in force.

## 3. RATIONALE FOR THE PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS' MANDATE

The Recurrent Related Party Transactions of a revenue or trading nature forms part of the Group's day-to-day operations in the ordinary course of business. The procurement of the Proposed Renewal of the Existing Shareholders' Mandate would eliminate the need to announce and/or convene separate General Meetings for the purpose of seeking shareholders' approvals as and when potential Recurrent Related Party Transactions arise, thereby reducing substantially administrative time, effort and expenses associated with the convening of such meetings on an ad hoc basis. This would allow the Group to conserve and channel its manpower resources to pursue business opportunities which will go towards attaining its corporate objectives.

## 4. EFFECTS OF THE PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS' MANDATE

The Proposed Renewal of the Existing Shareholders' Mandate will not have any impact on the share capital, NA, EPS, dividends or shareholdings of TSH.

## 5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Datuk (Dr.) Kelvin Tan Aik Pen, being the Director and Major Shareholder, Dato' Tan Aik Sim, Tan Aik Kiong and Tan Aik Yong, being the Directors (collectively referred to as "the Interested Directors") and Tan Soon Hong, Tan Aik Choon, Tan Ek Huat, Tan Aik Hwa, Ong Yah Ho, Tan Ah Seng and Chin Chui Fong, being persons connected with the Interested Directors and/or Major Shareholder, which has/have any interest, direct or indirect, in the Proposed Renewal of the Existing Shareholders' Mandate, will abstain from voting in respect of his/their direct and/or indirect shareholdings in the forthcoming AGM of the Company.

Where the persons connected with Datuk (Dr.) Kelvin Tan Aik Pen, Dato' Tan Aik Sim, Tan Aik Kiong and Tan Aik Yong, as disclosed above, has/have any interest, direct or indirect, in the Proposed Renewal of the Existing Shareholders' Mandate, Datuk (Dr.) Kelvin Tan Aik Pen, being the Interested Director and Major Shareholder of TSH and Dato' Tan Aik Sim, Tan Aik Kiong and Tan Aik Yong, being the Interested Directors of TSH will also abstain from voting in respect of his direct and/or indirect shareholdings in the Company. The Interested Directors have and will continue to abstain from Board deliberations and voting pertaining to the Proposed Renewal of the Existing Shareholders' Mandate.

The Interested Directors and/or Major Shareholder has/have undertaken that he/they shall ensure that the person(s) connected with him/them will abstain from voting on the resolution deliberating or approving the Proposed Renewal of the Existing Shareholders' Mandate at the forthcoming AGM to be convened.

Based on the Register of Directors and Register of Substantial Shareholders as at 16 April 2018, the direct and indirect shareholdings of the Interested Directors and Major Shareholder and person connected with them are set out below:

**Interested Directors and/or Major Shareholder**

Name	< -----No. of ordinary shares held ----- >			
	Direct	%	Indirect *	%
Datuk (Dr.) Kelvin Tan Aik Pen ^	168,801,517	12.22	-	-
Dato' Tan Aik Sim	53,289,664	3.86	-	-
Tan Aik Kiong	55,296,895	4.00	27,125	Negligible
Tan Aik Yong	53,846,817	3.90	-	-

Notes:

\* Deemed interested by virtue of Section 59(11)(c) of the Act

^ Datuk (Dr.) Kelvin Tan Aik Pen is a Director and Major Shareholder of TSH

**Person connected to Directors and/or Major Shareholder**

Name	< -----No. of ordinary shares held ----- >			
	Direct	%	*Indirect	%
Tan Soon Hong	22,914,835	1.66	-	-
Ong Yah Ho	16,710,290	1.21	-	-
Tan Ah Seng	36,654,089	2.65	-	-
Tan Aik Choon	41,491,658	3.00	-	-
Tan Ek Huat	39,434,718	2.85	-	-
Tan Aik Hwa	38,482,181	2.78	-	-
Chin Chui Fong	27,125	Negligible	55,296,895	4.00

Note:

\* Deemed interested by virtue of Section 59(11)(c) of the Act.

Save as disclosed above, none of the other Directors and/or Major Shareholder or persons connected with them have any interest, direct or indirect in the Proposed Renewal of the Existing Shareholders' Mandate.

**6. APPROVAL REQUIRED**

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

**7. DIRECTORS' RECOMMENDATION**

Your Directors (with the Interested Directors namely Datuk (Dr.) Kelvin Tan Aik Pen, Dato' Tan Aik Sim, Tan Aik Kiong and Tan Aik Yong, abstaining from giving any opinion), having considered all aspects of the Proposed Renewal of the Existing Shareholders' Mandate are of the opinion that the Proposed Renewal of the Existing Shareholders' Mandate is in the best interest of the Group and its shareholders.

Accordingly, your Directors (except Datuk (Dr.) Kelvin Tan Aik Pen, Dato' Tan Aik Sim, Tan Aik Kiong and Tan Aik Yong, who abstained from giving any recommendation) recommend that shareholders vote in favour of the Ordinary Resolution pertaining to the Proposed Renewal of the Existing Shareholders' Mandate to be tabled at the forthcoming AGM.

8. **AGM**

The Ordinary Resolution regarding the Proposed Renewal of the Existing Shareholders' Mandate is stated in the Notice of AGM set out in the Company's 2017 Abridged Annual Report which is being sent to you together with this Circular. The AGM will be held at Ballroom 2, LG Level, Eastin Hotel, 13, Section 16/11, Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan on 24 May 2018 at 10.00 am.

If you are unable to attend and vote in person at the AGM, you are requested to complete and return the Form of Proxy enclosed in the Company's 2017 Abridged Annual Report, in accordance with the instructions printed thereon, so as to arrive at the Registered Office of the Company at Level 10, Menara TSH, No. 8 Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur not later than forty-eight (48) hours before the time set for convening the AGM. The lodging of a Form of Proxy does not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

9. **FURTHER INFORMATION**

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

Yours faithfully  
For and on behalf of the Board of Directors  
of **TSH RESOURCES BERHAD**

**DATUK JASWANT SINGH KLER**  
Independent Non-Executive Director



**PART C**

**LETTER TO SHAREHOLDERS IN RELATION TO THE  
PROPOSED ADOPTION OF A NEW COMPANY'S  
CONSTITUTION**



## **TSH RESOURCES BERHAD**

(Company No.: 49548-D)  
(Incorporated in Malaysia)

### **Registered Office**

Level 10, Menara TSH  
No. 8 Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur

25 April 2018

### **Board of Directors:-**

Datuk (Dr.) Kelvin Tan Aik Pen (Chairman, Non-Independent Non-Executive Director)  
Dato' Tan Aik Sim (Group Managing Director)  
Datuk Jaswant Singh Kler (Independent Non-Executive Director)  
Dato' Jasmy bin Ismail (Independent Non-Executive Director)  
Selina binti Yeop Junior @ Lope (Independent Non-Executive Director)  
Yap Boon Teck (Independent Non-Executive Director)  
Tan Aik Kiong (Group Executive Director)  
Chew Siew Yeng (Non-Independent Non-Executive Director)  
Tan Aik Yong (Executive Director)  
Lim Fook Hin (Non-Independent Non-Executive Director)

**To : The Shareholders of TSH**

Dear Sir/Madam

### **PROPOSED ADOPTION OF A NEW COMPANY'S CONSTITUTION**

#### **1. INTRODUCTION**

The Company had on 27 February 2018 announced that it will be seeking its shareholders' approval at the forthcoming AGM on the Proposed Adoption.

The purpose of this Circular is to provide you with the information on the Proposed Adoption and to seek your approval for the Special Resolution under the agenda of special business pertaining to the Proposed Adoption to be tabled at the forthcoming AGM.

#### **2. DETAILS OF THE PROPOSED ADOPTION**

The Board proposes that the Company revoke its existing Memorandum & Articles of Association in its entirety with immediate effect and in place thereof, adopt a new Constitution, taking into account the Act which came into effect from 31 January 2017 and to be in line with the amendments to the Listing Requirements that came into effect from 1 January 2018.

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

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

The Proposed Adoption is to streamline the Company's existing Memorandum & Articles of Association to be in line with the Act and Listing Requirements as well as to enhance administrative efficiency.

The Board proposes the adoption of a new Constitution as the amendments required to be made are numerous and would entail substantial amendments to the existing Memorandum & Articles of Association of the Company.

4. **EFFECT OF THE PROPOSED ADOPTION**

The Proposed Adoption will not have any effect on the share capital (other than the abolishment of par value), substantial shareholders' shareholdings, net assets per share, gearing and earnings per share of TSH.

5. **DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS**

None of the Directors and/or Substantial Shareholders and/or person connected with them has any interest, direct or indirect, in the Proposed Adoption.

6. **APPROVAL REQUIRED**

The Proposed Adoption is subject to the approval of the shareholders of TSH at the forthcoming AGM.

7. **DIRECTORS' RECOMMENDATION**

Your Directors, having considered all aspects of the Proposed Adoption are of the opinion that the Proposed Adoption is in the best interest of the Company and its shareholders. Accordingly, your Directors recommend that you vote in favour of the Special Resolution pertaining to the Proposed Adoption to be tabled at the forthcoming AGM.

8. **AGM**

The Special Resolution regarding the Proposed Adoption is stated in the Notice of AGM set out in the Company's 2017 Abridged Annual Report which is being sent to you together with this Circular. The AGM will be held at Ballroom 2, LG Level, Eastin Hotel, 13, Section 16/11, Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan on 24 May 2018 at 10.00 am.

If you are unable to attend and vote in person at the AGM, you are requested to complete and return the Form of Proxy enclosed in the Company's 2017 Abridged Annual Report, in accordance with the instructions printed thereon, so as to arrive at the Registered Office of the Company at Level 10, Menara TSH, No. 8 Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur not later than forty-eight (48) hours before the time set for convening the AGM. The lodging of a Form of Proxy does not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

9. **FURTHER INFORMATION**

Shareholders are requested to refer to the attached Appendix I for further information and Appendix II for the new Company's Constitution.

Yours faithfully  
For and on behalf of the Board of Directors  
of **TSH RESOURCES BERHAD**

**DATUK JASWANT SINGH KLER**  
Independent Non-Executive Director

**ADDITIONAL INFORMATION****1. Directors' Responsibility**

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

**2. Material Contract**

As at the date of this Circular, there were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries during the past two (2) years.

**3. Material Litigation**

The Company or any of its subsidiaries is not engaged in any material litigation either as plaintiff or defendant as at the date of this Circular and the Directors do not have any knowledge of any proceeding pending or threatened against the Company or its subsidiaries or of any facts likely to give rise to any proceedings which might materially affect the position of the Company and its subsidiaries.

**4. Documents for Inspection**

Copies of the following documents will be available for inspection at the Registered Office of TSH at Level 10, Menara TSH, No. 8 Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur during normal business hours for a period from the date of this Circular to the date of the AGM:-

- (a) Memorandum and Articles of Association of the Company; and
- (b) Audited Financial Statements of TSH for the past two (2) financial years ended 31 December 2016 and 31 December 2017.

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**THE COMPANIES ACT 2016**

**MALAYSIA**

**PUBLIC COMPANY LIMITED BY SHARES**

**CONSTITUTION**

*of*

**TSH RESOURCES BERHAD**  
(Company No. 49548-D)

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Incorporated on the 7<sup>th</sup> day of August 1979

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**THE COMPANIES ACT 2016**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**CONSTITUTION**

**OF**

**TSH RESOURCES BERHAD**

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1. The name of the Company is TSH Resources Berhad.
2. The Office of the Company will be situated in Malaysia.
3. Section 21 of the Companies Act 2016 shall apply to the Company and the Company shall be capable of exercising all functions of a body corporate and have the full capacity and to carry on or undertake any business or activity in Malaysia or elsewhere that the Board of Directors considers to be advantageous to the Company and that are not prohibited under any law for the time being in force in Malaysia.
4. The objects for which the Company is established are:-
  - (1) To carry on the business as an investment holding company and to purchase, subscribe for, underwrite, invest in, take or otherwise acquire and hold any shares, stocks, bonds, options, debentures, debenture stock obligation or securities in or of any company, corporation, public body, supreme, municipal, local or otherwise of any government or state and to acquire, lease, promote or sell, and to manage, conduct or undertake the business of management or otherwise howsoever direct the operations of any business, company, corporation, firm of any other whatsoever enterprise, undertaking, or venture, and generally to undertake any of the business, act and perform all the functions of a holding, or management company.
  - (2) To purchase, lease or otherwise acquire, hold, sell, develop, manage, work, exchange, turn to account, dispose of and deal in lands, concessions, rubber estates, oil palm plantations, coconut plantations, cocoa plantations, forest plantations and agricultural plantations, forest and trading rights and to carry on the business of planters, growers, cultivators in oil palms, coconuts, rubber, cocoa, tea, coffee and agricultural crops of every description and also to carry on the business of oil-millers, rubber millers and manufacturers, sellers, dealers in palm oils, coconut oils, copra, groundnuts oils, cocoa and agricultural products of all descriptions and their by-products.
  - (3) To contract or enter into any arrangement with governments authorities, supreme, municipal local or otherwise or with any persons or company and to obtain from any such government or authorities or authority, persons or company, any rights, licences, privileges or concessions which the Company may think fit and desirable to carry out, exercise and comply with any such arrangements, contracts, rights, licences, privileges and concessions.
  - (4) To provide management services and act as management consultant and render engineering, technical management and other skilled and other services to all types of industry or organization in Malaysia or abroad including for office, accounting,

information technology, secretarial and taxation matters, management of plantation activities and plantation advisory services for oil palm and rubber crops, plantation engineering services, marketing of plantation produce and agronomic research and without limiting the generality of the above to act as consultants and managing agents.

- (5) To apply for, accept and receive or renounce such mining certificates, mining leases, grants for land, certificates of title, mukim extracts, licences, concessions, permit and such other instruments, documents, rights, privileges or permission and such renewals and copies thereof as may seem expedient.
- (6) To lend money on any terms that may be thought fit, and particularly to customers or other persons or corporations having dealings with the Company, and to give any guarantee that may be deemed expedient.
- (7) To purchase, acquire, lease, hire, exchange by way of investment or with a view to re-sale or otherwise any lands, estates, buildings of any tenure or any other form of real or personal property, rights, titles, or privileges or any interest in the same and to sell, lease, let, mortgage or otherwise dispose of the lands, houses, buildings, estates and other properties of the Company.
- (8) To furnish, fit and equip all houses and buildings for the time being belonging, leased or hired to the Company, and to make the same fit for use and occupation and to enter into agreement for letting and selling houses, buildings furniture and fittings to any company, corporation, authority or individuals either for cash or on instalment basis and to collect rents and other moneys in connections with such property.
- (9) To purchase the property and goodwill of, or any interest in, any business, and to amalgamate or enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint venture, reciprocal concession or otherwise, with any person or company carrying on or engaged in, or about to carry on or engage in, any business or transaction which the Company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the Company.
- (10) To carry on the business as merchants, rubber, coconut, and oil palm estate owners, rubber dealers, rubber growers, rubber millers, rubber factory proprietors, rubber packers and to buy, sell, grow, prepare for market, manipulate, import, export and deal in rubber of all kinds and to manufacture of which rubber is used and to buy, clear, plant, work and sell rubber estates.
- (11) To carry on the business of importers and exporters, and wholesalers and retailers of general merchandise, trading, general agents, commission agents, manufacturers' agents, general storekeepers, and holders of registered patent and trade mark rights.
- (12) To sell or dispose of the whole or any part of the undertaking and property or any or all of the assets, whether tangible or intangible, of the Company for cash or such consideration as the Company may think fit and in particular for shares, debentures or securities of any other company.
- (13) To undertake and execute any trusts and to establish branches in any part of Malaysia or elsewhere to carry on all or any business the Company is authorised to carry on and to manage such branches through trustees, agents or managers authorised by the Company.

- (14) To develop and turn to account any land acquired by the Company or in which the Company is interested, and in particular by laying out and preparing the same for building purposes, constructing, decorating, maintaining, furnishing and fitting up buildings and by planting, paving, draining, and improving buildings, and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others, and to sell such buildings either for cash or on instalment basis.
- (15) To receive money on deposit with or without allowances of interest thereon and to receive money for remittance to places outside Malaysia and to charge commission thereon or otherwise.
- (16) To draw, accept, make, endorse discount and negotiate bills of exchange, promissory notes and other negotiable instruments.
- (17) To borrow and raise money for the Company's business in such manner as the Company thinks fit and in particular by mortgage or charge of the undertaking and all or any of the assets, movable and immovable property and uncalled capital for the time being of the Company.
- (18) From time to time to subscribe or contribute to any charitable, benevolent or other objects of a public character, to make donations for patriotic or charitable purposes and to transact any lawful business in aid of Malaysia in the prosecution of any war or hostilities in which Malaysia is engaged.
- (19) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit any of the directors, officers, servants, employees or ex-employees of the Company or any of the dependants or connections of any such persons and to grant to any such persons dependants or connections, pensions and allowances and to make payments towards insurance thereof respectively and generally to subscribe or guarantee money to or for charitable or benevolent objects or to or for any exhibition or to or for any public general or useful object.
- (20) To grant pensions, allowances, gratuities, provident funds and bonuses to employees of the Company or the dependants of such person or any other persons and to establish and give effect to any scheme or arrangement for sharing profits with, or giving bonuses to employees, whether involving the issue of shares in the Company or not, and generally to remunerate any persons for services rendered wholly or partly by shares which may be issued as fully or partly paid up.
- (21) To purchase or otherwise acquire the Company's own shares on such terms and subject to such conditions as the Company may think fit, in a manner as may from time to time be prescribed and allowed by law.
- (22) Generally to do all such other things as may appear to be incidental or conducive to the attainment of the above objects or any of them, and the intention is that the objects specified in each of the paragraphs in this clause, shall, unless otherwise therein provided, be regarded as independent objects, and shall be in no wise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company. And it is hereby declared that the word "Company" in this clause when not applied to the Company shall be deemed to include any partnership or other body of persons, whether incorporated in Malaysia or elsewhere, and whether existing or hereafter to be formed.

5. The liability of the members of the Company is limited.



6. The Third Schedule of the Companies Act 2016 shall not apply to the Company except as stated so far as the same are repeated or contained in this Constitution.

### **INTERPRETATION**

7. In this Constitution unless the context otherwise requires, the following words, terms and expressions shall have the following meanings:-

<b>Words</b>	<b>Meanings</b>
“Act”	the Companies Act 2016 and shall include any statutory modification, amendments and re-enactment thereof for the time being in force
“Board”	the Board of Directors for the time being of the Company
“Bursa Securities”	Bursa Malaysia Securities Berhad
“Bursa Depository”	Bursa Malaysia Depository Sdn. Bhd.
“Central Depositories Act”	the Securities Industry (Central Depositories) Act, 1991 and shall include any statutory modification, amendments and re-enactment thereof for the time being in force
“Chairman”	the Chairman of the Board
“Company”	TSH Resources Berhad (49548-D)
“Constitution”	this Constitution as originally framed or as altered from time to time by special resolution and this “Constitution” means any one of them
“deposited securities”	securities standing to the credit of a securities account and includes securities in a securities account that is in suspense.
“Depositor”	a holder of a securities account established by the Bursa Depository
“Directors”	the Directors for the time being of the Company and unless otherwise stated, include alternate Director
“dividend”	dividend and/or bonus
“electronic address”	any address or number used for the purpose of sending or receiving documents or information by electronic means
“electronic means”	include electronic mail (“email”), the Company’s website, short messaging service (“SMS”) or other electronic mode of communication
“general meeting”	annual general meeting or meeting of members, as the case may be
“Listing Requirements”	unless the context otherwise requires, means the Bursa Securities Main Market Listing Requirements including any amendment thereto that may be made from time to time

“Market Days”	any day between Monday and Friday which is not a market holiday of the Bursa Securities or public holiday
“member(s)”	any person(s) for the time being holding one or more shares in the Company and whose name(s) appears in the register of members and includes a Depositor who shall be treated as if he were a member of the Company pursuant to Section 35 of the Central Depositories Act but excludes the Bursa Depository or its nominee company in its capacity as bare trustee
“Office”	registered office for the time being of the Company
“Record of Depositors”	a record provided by the Bursa Depository to the Company or its registrar under Chapter 24.0 of the Rules
“Register”	register of members to be kept pursuant to the Act, and unless otherwise expressed to the contrary, includes the Record of Depositors
“Rules”	the Rules of the Bursa Depository and any appendices thereto including any amendments thereto that may be made from time to time
“Seal”	the common seal and includes any official seal of the Company
“Secretary”	any person or persons appointed to perform the duties of a Secretary of the Company
“securities”	shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007
“securities account”	an account established by the Bursa Depository for a Depositor for the recording of deposit of securities and for dealings in such securities by the Depositor
“share(s)”	share(s) in the Company

Writing shall include printing and lithography and any other mode or modes of representing or reproducing words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic means or form or otherwise howsoever.

Words importing the singular number shall include the plural and vice versa and the masculine gender shall include the feminine and neuter genders and vice versa.

Words importing persons shall include corporations and companies.

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

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

## SHARE CAPITAL

8. 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 there may be attached thereto respectively any preferential rights to distribution of capital or income, deferred or other special, limited or conditional voting rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise. *Class of shares*
9. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the provisions of the Act, the Constitution and the provisions of any resolution of the Company, shares in the Company may be issued by the Directors, who may allot, grant rights to subscribe for or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights, and subject to such restrictions and at such times as they think proper, provided always that:- *Authority of directors to allot shares*
- (a) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution;
- (b) every issue of shares or options in relation to employee share scheme to employees and/or Directors of the Company shall be approved by the members in general meeting and in the case of Directors, such approval shall specifically detail the amount of shares or options to be issued to each Director, subject always to the provisions of the Listing Requirements or such regulations or amendments as may be imposed by regulatory bodies from time to time. Such Director shall not participate in the deliberation or discussion of his/her own allocation.
10. Except so far as otherwise provided by the conditions of issue, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company. All new shares shall be subject to the provisions herein contained with reference to allotments, the payment of calls and instalments, transmissions, forfeiture, lien and otherwise. *Ranking of new shares*

## ALTERATION OF SHARE CAPITAL

11. The Company may by special resolution:- *Power to alter share capital*
- (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) convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares; or
- (c) subdivide its shares or any of the shares, whatever is in the subdivision, the proportion between the amount paid and the

amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

12. The Company may, subject to the Act, by special resolution reduce its share capital. *Power to reduce capital*

#### **INCREASE OF CAPITAL**

13. The Company may from time to time, whether all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company may direct in the resolution authorising such increase. *Increase of share capital*
14. Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities of the Company shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution. *Offer of new shares*
15. Subject to the Listing Requirements and/or the Act, the Company shall not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding 12 months, exceeds 10% of the total number of issued shares (excluding treasury shares) of the Company except where the shares or convertible securities are issued with the prior approval of shareholders in a general meeting of the precise terms and conditions of the issue. In working out the number of shares or convertible securities that may be issued by the Company, if the security is a convertible security, each such security is counted as the maximum number of shares into which it can be converted or exercised. *Issue of shares or securities*
16. (1) Subject to the provisions of the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable to be redeemed on such terms and in such manner as the Company may by ordinary resolution determine. The Company shall have the power to issue *Issue of preference shares*

preference capital ranking equally with or in priority to preference shares already issued.

- (2) Preference shareholders shall have the same rights as ordinary shareholders as regards to receiving of notices, reports and audited accounts and the attending of general meetings of the Company.
  - (3) Preference shareholders shall also have the right to vote at any meeting convened for the purpose of approving a proposal to reduce the Company's share capital or a proposal for the disposal of the whole of the Company's property, business and undertaking or a proposal that affects rights attached to their share or a proposal to wind-up the Company, or any other proposals during the winding up of the Company or when a dividend or part of the dividend on the preference shares is in arrears for more than six (6) months.
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 the provision of any plant which cannot be made profitable for a long period, the Company may pay interest on so much of such share capital as is for the time being paid up for the period and subject to the condition and restrictions mentioned in Section 130 of the Act, and may charge the same to capital as part of the cost of construction of the works, buildings or plant. *Interest on share capital during construction of works on building*
18. Subject to Section 80 or any other relevant provisions of the Act, the Company may exercise the powers of paying commissions conferred by the Act, provided that the rate or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the commission shall not exceed the rate of 10% of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10% of that price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful. *Commission on subscription of 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, expressed, implied or constructive 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. *Trust not to be recognised*

#### **PURCHASE OF OWN SHARES**

20. Subject to the provisions of the Act and the Listing Requirements, Rules and such other relevant law, regulations or guidelines, the Company may, with the sanction of an ordinary resolution of members in general meeting, purchase its own shares. *Company may purchase its own shares*

21. Any shares in the Company so purchased by the Company shall be dealt with in accordance with the Act, the Listing Requirements, guidelines and/or any other relevant authority from time to time. *Treatment of purchased shares*

### **ALLOTMENT OF SECURITIES**

22. The Company shall allot securities and despatch notices of allotment to the allottees and make an application for the quotation of such securities within the stipulated time frame as prescribed under the Listing Requirements or such other period as may be prescribed by the Bursa Securities from time to time and ensure that all new issues of securities for which listing is sought are made by way of crediting the securities accounts of the allottees with such securities, save and except where it is specifically exempted from compliance with Section 38 of the Central Depositories Act in which event it shall so similarly be exempted from compliance with this requirement. For this purpose, the Company must notify the Bursa Depository of the names of the allottees and all such particulars required to enable the Bursa Depository to make the appropriate entries in the securities accounts of such allottees. *New issue of securities*
23. The Company must not allot or issue securities until after it has filed with the Bursa Securities a listing application for such new issue of securities and has been notified by the Bursa Securities that such new issue of securities has been approved. *No allotment or issuance of securities until approval is obtained*
24. The Company shall reject any requests by a member for any new issue of securities to be delivered in the form of scrip or to be credited into a securities account other than one of those from which the securities are to be credited for the exercise of rights by the member, save and except for a renunciation of any share by the allottee thereof in favour of some other person in accordance with the Listing Requirements and other applicable laws. *Recognition of renunciation*

### **MODIFICATION OF RIGHTS**

25. Except for preference shares to which Clause 26 shall apply, subject to the provisions of the Act, whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, all the provisions of this Constitution relating to general meetings of the Company, or to the proceedings thereat, shall mutatis mutandis apply, except that the necessary quorum shall be 2 persons at least holding or representing by proxy one-third of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those persons who are present shall be a quorum). *Modification of class rights*
26. The repayment of preference share capital (other than redeemable preference shares) or any alteration of preference shareholders' rights, may only be made pursuant to a special resolution of the *Repayment of preference capital*

preference shareholders concerned, provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths of the preference capital concerned within 2 months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.

### CERTIFICATES

27. Subject to the provisions of the Act, the Central Depositories Act and the Rules, jumbo certificates shall be registered in the name of the Bursa Depository or its nominee company for the purpose of crediting such securities to the securities accounts of the allottees. *Jumbo certificate*
28. Every certificate shall be issued under the Seal and bear the signatures or the autographic signatures by one Director and the Secretary or a second Director or such person as may be authorised 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 signature, or either of them, shall be dispensed with or shall be affixed by such other person as may be authorised by the Directors or some method or system of mechanical signature. *Share certificate issued under seal*

### CALL ON SHARES

29. The Directors may, from time to time, make calls as they think fit upon the members in respect of any money unpaid on the shares of the members and not by the conditions of allotment of shares made payable at fixed date provided that no call shall exceed one-fourth of the issued price of the share or be payable at less than 30 days from the date fixed for the payment of the last preceding call and each member shall, subject to receiving at least 14 days' notice specifying the date, time and place of payment, pay to the Company the amount called on his shares. *Directors may make calls*
30. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. *When call deemed made*
31. Any call may be made payable either in one sum or by instalments. A call may be revoked or postponed as the Directors may determine. *Payment of calls*
32. Any sum which, by the terms of issue of a share, becomes payable on allotment or at any fixed date shall be deemed to be a call duly made and payable on the date on which by the terms of issue the shares becomes payable and in the case of non-payment, all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise shall apply as if the sum had become payable by virtue of a call duly made and notified. *Terms of issue may be treated as call*
33. If a sum called in respect of the share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the same at the rate of 8% per annum from the day appointed for the payment of the sum to the time of actual payment as the Directors may determine provided however the Directors shall be at liberty to waive payment of such interest wholly or in part. No shareholder shall be entitled to receive any dividend or *Interest on unpaid calls*

to exercise any privileges as a member until he shall have paid all calls for the time being due and payable on every share held by him together with interest and expenses (if any).

34. The Directors may from time to time, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the time of payment of such calls. *Difference in calls*
35. The Directors may, if they think fit, receive from any member willing to advance all or any part of the money due upon his shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance (or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance had been made) the Company may pay interest at a rate not exceeding 8% per annum as the Directors may agree upon. Such amount paid in advance of calls shall not, whilst carrying interest, confer a right to participate in profits and the Directors may at any time repay the amount so advanced if they think fit. *Calls may be paid in advance*

### **FORFEITURE OF SHARES**

36. If any member fails to pay the whole or any part of any call or instalment of a call on the day appointed for the payment thereof, the Directors may serve a notice on the member requiring payment of the amount unpaid together with any interest or compensation which may have accrued. *Notice requiring payment*
37. The notice shall specify a date (not being less than 14 days from the date of service of the notice) on or before which, and the place where the payment is required to be made and shall state that, in the event of non-payment on or before the specified date, the shares in respect of which the call was made is liable to be forfeited. *Particulars in notice*
38. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time, thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends which shall have been declared on the forfeited shares and not actually paid before the forfeiture. The Directors may accept the surrender of any share liable to be forfeited hereunder. *Forfeiture*
39. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares (together with interest or compensation at the rate of 8% per annum or such other rate as may be allowed under the applicable laws and determined by the Board to be calculated from the date of forfeiture on the money for the time being unpaid if the Board thinks 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. *Liability of member in respect of forfeited shares*
40. A statutory declaration in writing by a Director or Secretary of the Company that a share in the Company has been duly forfeited or *Evidence of forfeiture*



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.

41. A forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors think fit. *Treatment of forfeited shares*
42. The Company may receive the consideration, if any, given for a forfeited share on any sale or disposition of the share and authorise its Directors to appoint a person to execute a transfer of the share in favour of the person to whom the share is sold or disposed of and such person shall be registered as the shareholder and not have his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share. *Sale of forfeited shares*
43. Notwithstanding any such forfeiture as aforesaid, the Directors may at any time before the forfeited share has been otherwise disposed of, annul the forfeiture upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit. *Annulment of forfeiture*
44. 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 date, as if the shares had been payable by virtue of a call duly made and notified. *Application of forfeiture provision*
45. When any share has been forfeited, notice of the forfeiture shall, within 14 days from the date of forfeiture, 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, and an entry of such notice having been given, and of the forfeiture with the date thereof forthwith be made in the Record of Depositors, as appropriate, opposite to the share. *Notice of forfeiture to be given and entered in the Record of Depositors*

#### **LIEN**

46. The Company shall have a first and paramount lien on shares and dividends from time to time declared in respect of every share (not being a fully paid share), but this lien 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. *Lien on shares and dividends*
47. For the purpose of enforcing such lien, the Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the shares, or the person entitled thereto by reason of his death or bankruptcy. *Power to enforce lien by sale*
48. To give effect to any such sale, the Directors may authorise a person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the shareholder comprised in any such transfer *Directors may effect transfer*

and the Directors shall not be bound to see to the application of the purchase money and the title of the purchaser to the shares sold shall not be affected by any irregularity or invalidity in the proceedings relating to the sale.

49. If any share is forfeited and sold, any residue after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid to the persons whose shares have been forfeited, or his executors, administrators or assignees or as he directs, subject to a similar lien for sums not presently payable which exists over the shares before the sale. *Application of proceeds of sale*

### **TRANSFER OF SECURITIES**

50. Subject to the Central Depositories Act, the Rules, the Act, the Listing Requirements and this Constitution, any member may transfer all or any of his shares by the instrument in writing in the form prescribed under the Rules and any other applicable laws. The transferor shall remain the holder of the securities transferred until the transfer is registered and the name of the transferee is entered in the Record of Depositors. *Transfer of shares in writing*

51. The transfer of any listed security or class of listed security of the Company, shall be by way of book entry by the Bursa Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such securities. *Transfer of listed securities by book entry*

52. A Depositor shall not withdraw the securities which have been deposited with the Bursa Depository except in such manner as may be specified in the Rules and Central Depositories Act. *No withdrawal of deposited securities*

53. Subject to the Central Depositories Act, the Rules, the Act, the Listing Requirements and this Constitution for the time being in force, the Directors may decline to register any transfer of a share where the Company has a lien on the share or the proposed transferee is an infant, bankrupt or person of unsound mind and in all cases the decision of the Directors shall be final. *Directors may decline to register any transfer of shares*

54. (1) The Bursa Depository may refuse to register any transfer of deposited securities that does not comply with the Central Depositories Act and the Rules. *Refusal to transfer*

- (2) Neither the Company nor the Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or the Directors or other officers be legally in-operative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee of the particulars of the *Limitation of liability*

shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

### TRANSMISSION OF SHARES

55. In the case of the death of a member, the executors or administrators or the legal representatives of such deceased member shall be the only person recognised by the Company as having any title to the shares registered in the name of such member, but nothing herein contained shall release the estate of a deceased holder from any liability in respect of any share held by him. *Death of member*
56. Any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member may, upon producing such evidence or title as required under the Act and/or the Rules and subject as hereinafter provided, either register himself as holder of the share, or elect to have some other person nominated by him registered as the transferee thereof, but the Directors and/or the Bursa Depository shall in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy. Provided always that where the share is a deposited security, subject to the Rules, a transfer or withdrawal of the shares may be carried out by the person becoming so entitled. *Death or bankrupt of holder of shares*
57. Where the share is a deposited security and the person becoming so entitled elects to have such share transferred to him, he shall deliver a notice in writing, signed by him stating that he so elects, to the Bursa Depository and the Company, and shall comply with the Rules pertaining to the transfer of securities. If he shall elect to have the share transferred to another person, he shall execute the prescribed transfer form and lodge all documents required in accordance with the Rules. *Notice of election*
58. A person becoming entitled to a share by reason of death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were the registered holder of the share, except that he shall not, before being registered in the Record of Depositors be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided always that the Directors may at any time give notice in writing requiring any such person to elect either to transfer the share to himself or another person and to carry out such transfer in accordance with the Rules and other applicable laws and if such person does not provide the Directors with satisfactory evidence that he has done so, the Directors may, thereafter, withhold payments of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with. *Person entitled may receive dividend, etc*
59. The guardian of an infant member, and the committee of a lunatic member may, upon producing to the Directors such evidence of their position as required under the Act and/or the Rules, be placed upon the Register in respect of the shares held by such infant or lunatic *Proof of evidence for guardian of infant and committee of*

member as the case may be.

*lunatic*

60. Where:-

*Transmission of securities between registers*

- (a) the securities of the Company are listed on another stock exchange; and
- (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such securities,

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

### **STOCK**

61. The Company may by ordinary resolution passed at a general meeting convert any paid-up shares into stock or reconvert any stock into paid-up shares of any number.

*Conversion of shares into stocks*

62. The holders of the stock may transfer the same, or any part thereof in the same manner and subject to the same Clauses as and subject to which, the shares from which the stock arose might prior to conversion have been transferred, or as near thereto as circumstances permit, but the Directors may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum.

*Holder of stocks may transfer their interests*

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

*Participation of stockholders*

64. Such Clauses of the Constitution as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

*Definition*

### **GENERAL MEETINGS**

65. Subject to the provisions of the Act, an annual general meeting of the Company shall be held in every calendar year, within 6 months of the Company's financial year end and not more than 15 months after the last preceding annual general meeting.

*Annual General Meeting*

66. A general meeting may be held at more than one venue using any technology or method that enables the members of the Company to participate and to exercise the members' rights to speak and vote at the meeting. The main venue of the meeting shall be in Malaysia and

*Venues of meeting*

the Chairman shall present at that main venue of the meeting.

67. The Directors may whenever they think fit convene a meeting of members. In addition, a meeting of members shall be convened on such requisition as is referred to in Section 311 of the Act or, if the Company makes default in convening such meeting in compliance with a requisition received pursuant to Section 312 of the Act, a meeting may be convened by the requisitionists themselves in the manner provided in Section 313 of the Act.
- Requisition of meetings*

#### **NOTICE OF GENERAL MEETINGS**

68. All general meetings shall be held at such time, day and place as the Directors shall determine. Every notice of an annual general meeting shall specify the meeting as such and every meeting convened for passing a special resolution shall state the intention to propose such resolution as a special resolution.
- Convening of general meetings*

69. Subject to the Act, no business shall be transacted at a meeting of members except business of which notice has been given in the notice convening the meeting. All business that is transacted at a meeting of members and also all business that is transacted at an annual general meeting shall be deemed special, with the exception of the laying of audited financial statements and the reports of the directors and auditors, declaring a dividend, the fixing of the Directors' fees and benefits payable, the election of Directors in place of those retiring by rotation or otherwise and the appointment and fixing of the remuneration of the auditors.
- Business at meetings*

70. The notices convening meetings shall specify the place, day and hour of the meeting, and shall be given to all Directors, auditors and members (other than those who are not entitled to receive notices of general meetings of the Company under the provisions of this Constitution or the terms of issue of the shares held by them) at least 14 days before the meeting or at least 21 days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least 14 days' notice or 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 1 nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.
- Notice of meeting*

71. Subject to the provisions of the Act, resolution requiring special notice shall not be effective unless notice of the intention to move it has been given to the Company not less than 28 days before the meeting at which it is moved and the Company shall give its members notice of any such resolution in the same manner and at the same time as it gives notice of the meeting. However, if the Company received a notice of the intention to move such a resolution and called a meeting for less than the time required by the Act, such notice shall be deemed to be properly given.
- Resolution requiring special notice*

72. In every notice calling a general meeting of the Company, there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company. *Member's right to appoint proxy*
73. (1) The Company shall request the Bursa Depository in accordance with the Rules to issue a Record of Depositors to whom notices of general meetings shall be given by the Company. *General meeting records of depositors*
- (2) The Company shall also request the Bursa 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 3 Market Days before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors").
- (3) Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable), a Depositor shall not be regarded as a member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.
74. The accidental omission to give notice of meeting to, or the non-receipt of notice by, any persons entitled to receive such notice shall not invalidate any resolution passed or the proceedings at such meeting. *Omission not to invalidate proceedings*

#### **PROCEEDING AT GENERAL MEETINGS**

75. No business shall be transacted at any meeting of members unless a quorum of members is present at the time the meeting proceeds to business, and such quorum shall consist of not less than 2 members present in person or by proxy. Subject to Clauses 85, 86 and 94, for the purposes of constituting a quorum:- *Quorum*
- (1) one or more representatives appointed by a corporation shall be counted as one member; or
- (2) one or more proxies appointed by a person shall be counted as one member.
76. If within half-an-hour from the time appointed for a general meeting a quorum is not present, the meeting, if convened upon the requisition of the members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, (or if that day be a public holiday, then to the next business day following that public holiday) at the same time and place or at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum is not present within half-an-hour from the time appointed for the meeting, the members present shall be a quorum and they may transact the business for which the meeting was called. *Proceeding of quorum not present*
77. The Chairman of the Board shall preside as chairman at every general meeting of the Company. If at any meeting the Chairman be not *Chairman of general meeting*

present within 15 minutes after the time appointed for holding the meeting, or is unwilling to act as chairman, the members present shall choose one of the Directors present to be chairman, or if no Director be present or if all the Directors present decline to take the chair, the members shall choose one of their number present to be chairman. The election of the chairman shall be by way of a show of hands.

78. The Chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, 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 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 notice of an adjournment or of the business to be transacted at an adjourned meeting. *Meeting may be adjourned*
79. Any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any meeting of members, is voted by poll. *Voting by poll*
80. A poll shall be taken in such manner and at such time and place as the Chairman of the meeting directs and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken. *Time and place of the taking of poll*
81. The poll may be conducted manually using voting slips or electronically using various forms of electronic devices. Such votes shall be counted by the poll administrator and verified by the scrutineer for the purposes of determining the outcome of the resolution(s). The Chairman may adjourn the meeting to some place and time fixed by him for the purpose of declaring the results of the poll. *Taking of poll*
82. In the case of an equality of votes, the Chairman of the meeting shall be entitled to a second or casting vote in addition to the votes to which he may be entitled as a member. *Chairman's casting vote*
83. At least 1 scrutineer must be appointed to validate the votes cast at the meeting of members. The appointed scrutineer must not be an officer of the Company or its related corporation, and must be independent of the person undertaking the polling process. *Appointment of scrutineer*
84. If at any meeting of members, any votes shall be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting, and not in that case unless it shall, in the opinion of the Chairman of the meeting, be of sufficient magnitude to vitiate the result of the voting. The decision of the Chairman of the meeting on such matters shall be final and conclusive. *Error in counting votes not to vitiate result of voting*

#### **VOTES OF MEMBERS**

85. Subject to Clause 73, a member of the Company shall be entitled to be present and to vote on any question, either personally or by proxy, *Member's right to vote*

at any general meeting in respect of any share or shares upon which all calls due to the Company have been paid.

86. Any company, corporation or statutory institution which is a member may, by minute of its directors, authorise any person to act as its representative at any meetings of the Company; and such representative shall be entitled to exercise the same powers on behalf of the company which he represents as if he had been an individual shareholder, including power, when personally present, to vote on a poll and to be counted as a member personally present for the purpose of forming a quorum. *Vote of corporate representative*
87. Subject to any special terms as to voting for the time being attached to any shares or classes of shares, on a resolution to be decided on a poll, a holder of ordinary shares or preference shares who is personally present or by proxy and entitled to vote shall be entitled to 1 vote for every share held by him. A member or his proxy shall be entitled to vote on a show of hands or on a poll, on any question, at any general meeting. *Voting rights*
88. (1) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. *Appointment of multiple proxies*
- (2) An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.
89. (1) The instrument appointing a proxy shall be left at the Office or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, at least 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote and in the case of a poll, at least 24 hours before the time appointed for the taking of the poll; otherwise the person so named shall not be entitled to vote in respect thereof. *Delivery of instrument appointing proxies*
- (2) Subject to the Listing Requirements, Rules, regulations and laws at that time and this Constitution, the Company may specify a facsimile number and /or electronic address in any of the following sources for the purpose of receipt of proxy appointments and shall be subject to any terms, conditions or limitations specified therein:- *Appointment of proxy via electronic communication*
- (a) notice calling the meeting;
- (b) instrument of proxy sent out by the Company in relation to the meeting; or
- (c) website maintained by or on behalf of the Company.
- (3) An appointment of proxy by electronic communication must



be received at the electronic address specified by the Company at least 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the form of appointment of proxy proposes to vote or in the case of a poll, at least 24 hours before the time appointed for the taking of the poll; otherwise the person so named shall not be entitled to vote in respect thereof.

- (4) For the purpose of Clause 89, the Directors may require such reasonable evidence they consider necessary to determine:-
- (a) the identity of the member and the proxy; and
  - (b) where the proxy is appointed by a person acting on behalf of the member, the authority of that person to make the appointment.
- (5) An appointment of proxy by electronic communication which is not made in accordance with this Clause shall be invalid.
90. 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 by his committee, receiver, curator bonis, or other legal representatives/guardian or such other person who has been properly appointed to manage his estate. Any one of 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 or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time appointed for holding the meeting. *Vote of members of unsound mind*
91. The legal representative of a deceased member or the person entitled 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 were the registered holder of such share provided that 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 or his appointment as executor or administrator, as the case may be, unless the Directors shall have previously admitted his right to vote in respect thereof. *Vote of legal representative of members*
92. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney or if the appointor is a corporation under the seal, and the person so appointed may attend and vote at any meeting at which the appointor is entitled to vote. A proxy may be appointed generally or for specified meetings. *Instrument of proxy*
93. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation of transfer shall have been received at the Office before the commencement of the meeting or adjourned meeting at which the instrument is used. *Proxy irrevocable unless notice received by the Company*

94. (1) A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint not more than 2 proxies to attend and vote in his stead at the meeting. There shall be no restriction as to the qualification of the proxy. Where a member appoints two proxies, he shall specify the proportion of his shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
- (2) A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.

*Appointment of proxy*

95. The instrument appointing a proxy shall, as nearly as circumstances admit, be in the following form or in such other form as the Directors may approve:-

*Form of proxy*

**TSH RESOURCES BERHAD**

CDS Account No. \_\_\_\_\_

I/We \_\_\_\_\_ \*NRIC/Company No. \_\_\_\_\_  
(FULL NAME IN CAPITAL LETTERS)  
 of \_\_\_\_\_ being \*a member/members of TSH RESOURCES BERHAD  
(FULL ADDRESS)  
 hereby appoint \_\_\_\_\_ \*NRIC No./Passport No. \_\_\_\_\_  
(FULL NAME IN CAPITAL LETTERS)  
 of \_\_\_\_\_ or failing \*him/her \_\_\_\_\_  
(FULL ADDRESS) (FULL NAME IN CAPITAL LETTERS)  
 \*NRIC No./Passport No. \_\_\_\_\_ of \_\_\_\_\_  
(FULL ADDRESS)

or failing \*him/her, THE CHAIRMAN OF THE MEETING

as \*my/our proxy to attend, speak and vote for \*me/us on \*my/our behalf at the .....of the Company to be held at .....on ..... at ..... and any adjournment thereof and to vote as indicated below:-

RESOLUTION	AGENDA	*FOR	*AGAINST

\* Please indicate with an "X" in the space provided for each resolution. Unless voting instructions are indicated in the space above, the proxy will vote or abstain as he/she thinks fit and if no name is inserted in the space for the name of proxy, the Chairman of the meeting will act as proxy.

Signed this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
 Signature/  
 Common seal  
 of Appointor

No. of shares held

Percentage of shareholdings to be represented by the proxies:		
	No. of shares	Percentage
Proxy 1		
Proxy 2		
<b>Total</b>		<b>100%</b>

## DIRECTORS

96. Until otherwise determined by general meeting, the number of Directors (disregarding alternate Director) shall not be less than 2 and not more than 10. *Number of directors*
97. The Directors shall have power to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board but so that the number shall not exceed the maximum fixed as above and any Director so appointed shall hold office only until the next annual general meeting of the Company, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting. *Directors' power to fill casual vacancies or appoint additional directors*
98. The continuing Directors may act notwithstanding any vacancy in their body but if their number falls below the minimum fixed above, the Directors shall except in an emergency, act only for the purpose of increasing the number of Directors to that minimum number or of convening a general meeting. *Continuing directors may act in certain circumstances*

## DISQUALIFICATION OF DIRECTORS

99. The office of a Director shall be vacated if the Director:- *Vacation of office of directors*
- (a) ceases to be a Director by virtue of the Act;
  - (b) becomes prohibited from being a Director by reason of any order made under the Act;
  - (c) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
  - (d) resigns his office by notice in writing to the Company;
  - (e) is absent from more than 50% of the total Board meetings held during a financial year unless approval is sought and obtained from Bursa Securities;
  - (f) is removed by a resolution of the Company in general meeting;
  - (g) is convicted by court of law, whether in Malaysia or elsewhere, in relation to offences set out in paragraph 15.05 of the Listing Requirements.

## DIRECTORS' TENURE OF OFFICE

100. An election of Directors shall take place each year at the annual general meeting of the Company where one-third of the Directors for the time being or if their number is not 3 or a multiple of 3, then the number nearest to one-third shall retire from office and be eligible for re-election provided always that Directors shall retire from office once at least in each 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires. *Retirement of directors*

101. The Directors to retire in each year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. *Selection of directors to retire*
102. 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 11 clear days before the meeting, left at the Office of the Company a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such member to propose him for election, provided that in the case of a person recommended by the Directors for election, 9 clear days' notice only shall be necessary, and notice of each and every candidature for election to the Board shall be served on the registered holders of shares at least 7 days prior to the meeting at which the election is to take place. *Notice of nomination of directors*
103. If at any meeting at which an election of Director ought to take place, the places of retiring Directors, or some of them, are not filled up, the meeting shall stand adjourned till the same day in the next week at the same time and place, and if at such adjourned meeting the places of the retiring Directors, or some of them, are not filled up, the retiring Directors or such of them as have not had their places filled up, shall be deemed to have been re-elected at the adjourned meeting. 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. *Retiring director deemed to be re-elected*
104. At a general meeting at which more than one Director is to be elected, each candidate shall be the subject of a separate motion and vote unless a motion for the appointment of 2 or more persons as Directors by a single resolution shall have first been agreed to by the meeting without any vote being given against it. *Motion for appointment of directors*
105. The Company may, from time to time by ordinary resolution passed at a general meeting, increase or reduce the number of Directors and may alter their qualifications. *Number of directors may be increased or decreased*
106. Subject to the Act, the Company may by ordinary resolution of which special notice has been given, remove any Director before the expiration of his period of office, notwithstanding any provisions of this Constitution or of any agreement between the Company and such Director, and appoint another person in his stead, the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. *Removal of directors*

### **POWER OF DIRECTORS**

107. The business of the Company shall be managed by the Directors who may exercise all such powers of the Company and do on behalf of the Company, all such acts and things as are within the scope of this Constitution and by the Act or by this Constitution required to be exercised or done by the Company in general meeting, subject nevertheless to this Constitution, to the provisions of the Act and to *Business of Company to be managed by directors*

such regulations, being not inconsistent with this Constitution, as may be prescribed by the Company in general meeting; but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

108. Without prejudice to the powers conferred by this Constitution and by the laws, it is hereby expressly declared that the Directors shall have the following powers:-

*Powers of directors*

- (a) to purchase or otherwise acquire for the Company and property, rights, privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit.
- (b) to secure the fulfilment of any contract or agreement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they may think fit.
- (c) to appoint and at their discretion remove or suspend such managers, Secretary, officers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries and to require security in such instances and at such amount as they think fit.
- (d) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company.
- (e) to make and give receipts, releases, and other discharges for money payable to the Company and for the claims and demands of the Company.
- (f) to invest and deal with any of the moneys of the Company not immediately required for the purposes thereof upon such securities (not being shares in this Company) and in such manner as they think fit and from time to time to vary or realise such investments.
- (g) to establish or arrange any contributory or non-contributory pension or superannuation scheme, share option/incentive scheme and trusts or other funds for the benefit of, or pay a gratuity, pension or emolument, and to issue and allot and/or transfer shares or securities to any person who is or has been employed by or in the service of the Company or any subsidiary of the Company, or to any person who is or has been a Director or other officer of and holds or has held salaried employment in the Company or any such subsidiary, and the widow, family or dependants of any such person. The Directors may also subscribe to any association or fund which they consider to be for the benefit of the Company or any such subsidiary or any such person as aforesaid and make payments

for or towards any hospital or scholastic expenses and any Director holding such salaried employment shall be entitled to retain any benefit received by him under this Clause subject only, where the Act requires, for proper disclosure to the members and the approval of the Company in general meeting.

- (h) from time to time by power of attorney under the Seal, appoint any corporation, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney/attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

Provided that any sale or disposal by the Directors of a substantial portion of the Company's main undertaking or property shall be subject to approval by shareholders in general meeting.

109. All cheques, promissory notes, draft, 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 by resolution.

*Signing of cheques  
etc*

### **BORROWING POWERS**

110. The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any related company or any related third party subject to the law including but not limited to the provisions of the Act and the Listing Requirements, as they may think fit.

*Directors'  
borrowing powers*

111. The Directors shall not borrow any money or mortgage or charge any of the Company's undertaking, property, or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

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

*Keeping of  
registers*

### **PROCEEDINGS OF DIRECTORS**

113. The Directors may meet together for the despatch of business,

*Directors' meeting*

adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. The participation of any Director at any meeting may be by means of a conference by telephone or similar communications equipment via which:-

- (a) that Director and all participating Directors are able to hear each other and be heard for the entire duration of the meeting; and
- (b) all information and documents are made equally available to that Director as with all other participating Directors prior to or at the meeting

without such Director being in the physical presence of the other participating Directors and such participation in a meeting pursuant to this provision shall constitute the presence in person of such Director at such meeting and shall be counted in a quorum and be entitled to vote.

- |      |   |   |
|------|---|---|
| 114. | The quorum necessary for the transaction of the business of the Directors shall be 2.   | <i>Quorum</i>   |
| 115. | All notices or other documents if served by the Company upon any Director, either personally, sending it by facsimile transmission, by post, by electronic mail or other methods of communication shall deemed to be received.  | <i>Service of notice of directors' meeting</i>            |
| 116. | A notice of a meeting of the Board shall be sent to every Director who is in Malaysia, and the notice shall include the date, time and place of the meeting and the matters to be discussed.  | <i>Notice of directors' meeting</i>                       |
| 117. | The Directors may from time to time elect or remove a Chairman and Deputy Chairman of the Board 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 as chairman of all meetings of the Directors but if no such Chairman or Deputy Chairman be elected, or if at any meeting the Chairman or Deputy Chairman be not present within 15 minutes after the time appointed for holding the meeting, or is unwilling to act as chairman, the Directors present shall choose one of their number to be chairman of the meeting. | <i>Chairman and deputy chairman</i>                       |
| 118. | 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 authorities, powers and discretions by or under the Constitution for the time being vested in or exercisable by the Directors generally. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote except where only 2 Directors are competent to vote on the question at issue, or are the quorum present at the meeting.  | <i>Proceedings of meeting and chairman's casting vote</i> |
| 119. | All acts done by any meeting of the Directors or of a committee of Directors, or by any persons acting as Directors, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or persons acting as aforesaid, or that they or any of them was disqualified, be as valid as   | <i>Validation of the acts of directors or committee</i>   |

if every such person or persons had been duly appointed and were qualified to be a Director or Directors.

120. Every Director shall comply with the provisions of Section 219 and 221 of the Act in connection with the disclosure of his shareholding and interest in the Company and his interest in any contract or proposed contract with the Company and in connection with the disclosure of the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly duties or interests might be created in conflict with his duty or interest as a Director of the Company. A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has, directly or indirectly an interest (and if he shall do so his vote shall not be counted), nor shall his vote be counted for the purpose of any resolution regarding the same. *Disclosure of interest and restriction on voting*
121. A Director notwithstanding his interest may, provided that none of the other Directors present disagree, be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company, (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company, or whereat the terms of any such appointment as hereinafter mentioned are considered or whereat any decision is taken upon any contract or arrangement in which he is in any way interested provided always that he has complied with Section 221 and all other relevant provisions of the Act, the Listing Requirements and of this Constitution. *Director appointed at a meeting to hold other office to be counted in the quorum*

#### **REMUNERATION OF DIRECTORS**

122. If any Director shall be required to perform any services or shall be otherwise specially occupied about the Company's business, he shall be entitled to receive a remuneration to be fixed by the Board. *Directors' entitlement to remuneration*
123. The fees and any benefits payable to the Directors including any compensation for loss of employment of a Director or former Director shall from time to time be determined by an ordinary resolution of the Company in general meeting and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine provided always that:- *Remuneration*
- (a) fees payable to Non-Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
  - (b) salaries payable to Executive Directors may not include a commission on or percentage of turnover;
  - (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, 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.

124. The Directors shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of the committee established by the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors. *Reimbursement*
125. The Directors may award special remuneration out of the funds of the Company to any Director going or residing outside Malaysia in the interest of the Company, or undertaking any work additional to that usually required of Directors of the Company, such special remuneration may be by way of a fixed sum or otherwise as may be arranged. *Special remuneration*

### **ALTERNATE DIRECTOR**

126. Any Director with the approval of a majority of the other Directors may appoint any person (whether a member of the Company or not) to be an alternate or substitute Director in his place during such period as he thinks fit. Any person while he so holds office as an alternate or substitute Director shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly, and to exercise all the powers of the appointor in his place. An alternate or substitute Director shall ipso facto vacate office if the appointor vacates office as a Director or removes the appointee from office. Any appointment or removal under this regulation shall be effected by notice in writing under the hand of the Director making the same. *Appointment or removal of an alternate director*
127. Every person acting as an alternate Director shall be an officer of the Company, and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the Director appointing him. *Responsibility of an alternate director*
128. No Director may act as an alternate Director and a person shall not act as an alternate Director for more than 1 Director. *Prohibition to act in dual capacity*

### **MANAGING DIRECTOR**

129. The Directors may from time to time appoint one or more of their body to be Managing Director or Managing Directors or Deputy or Assistant Managing Director or Deputy or Assistant Managing Directors. Subject to Clause 99, any such appointment shall be subject to reappointment and on such terms as the Board thinks fit and the Board may revoke any such appointment. *Appointment of managing director*
130. (1) A Managing Director shall be subject to the control of the Board. *Control by the board*
- (2) The Managing Director shall be subject to retirement by rotation or be taken into account in determining the rotation or retirement of Directors. He shall also be subject to the same provisions as to resignation and removal as other Directors of the Company, and he shall ipso facto and immediately, ceases to be a Managing Director if he ceases to hold the office of Director from any cause. *Rotation, resignation and removal*

131. The Directors may, from time to time, delegate to the Managing Director any of the powers, authorities and discretions vested in them and may give to him the power of sub-delegation and may for the purposes aforesaid execute and deliver such powers of attorney as they may think fit.

*Powers of  
managing director*

### **COMMITTEE OF DIRECTORS**

132. The Directors may establish any committees (including, without limitation, a management committee), local boards or agencies comprising 2 or more persons for managing any other affairs of the Company either in Malaysia or elsewhere, and may lay down, vary or annul such rules and regulations as they may think fit for the conduct of the business thereof, and may appoint any person or persons to be the member or members of any such committee or local board or agency and may fix their remuneration and may delegate to any such committee or local board or agency any of the powers, authorities and discretion vested in the Directors, with power to sub-delegate, and may authorise the member or members of any such committee or local board or agency 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 and 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 regulations made by the Directors apply also to the meetings and proceedings of any committee.
133. Each committee may elect its own chairman and the chairman so elected shall preside as chairman of the meeting. If at any meeting the chairman be not present within 15 minutes after the time appointed for holding the meeting, or is unwilling to act as chairman, the members of the committee present shall choose 1 of their number to be chairman of the meeting.
134. Subject to any rules and regulations made pursuant to Clause 132, 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 of such committee present and in the case of any equality of votes, the chairman shall have a second or casting vote.
135. Notwithstanding any provisions to the contrary contained in this Constitution, any member of a committee may participate at a committee meeting by way of telephone and video conferencing or by means of other communication equipment whereby all persons participating in the meeting are able to hear each other, in which event such member shall be deemed to be physically present at the meeting whether for the purposes of this Constitution or otherwise. A member participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the members attending the meeting provided that at least 1 of the members present at the meeting was at such place for the duration of that meeting.

*Directors may  
establish  
committees etc*

*Chairman of the  
committee*

*Voting and  
chairman's  
casting vote*

*Participation at  
committee  
meetings by  
telephone, video  
conferencing etc*

## **RESOLUTION IN WRITING**

136. A resolution in writing signed or approved by letter, electronic mail or facsimile by all the Directors for the time being present in Malaysia shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened, held and constituted. Where a Director is not so present but has an alternate who is present, then such resolution shall be signed by the alternate. Any such resolution may consist of several documents in like form (prepared and circulated by facsimile, telex, telegram or electronic mail or other communication modes/equipment), each signed by 1 or more Directors or their alternates.
- Directors' circular resolution*

## **SECRETARY OR SECRETARIES**

137. The Directors shall appoint one or more Secretaries each of whom shall be a natural person who has his principal or only place of residence in Malaysia. The appointment of Secretary or Secretaries shall be in accordance with the Act and for such terms, at such remuneration and upon such conditions as the Directors think fit and any Secretary or Secretaries so appointed may be removed by the Directors.
- Appointment and removal of secretary*

## **MINUTES**

138. The Directors shall cause minutes to be duly entered in the books provided for the following purposes:-
- (a) of all appointment of officers;
  - (b) of the names of 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 orders made by the Directors and committee of Directors; and
  - (d) of all resolutions and proceedings of general meetings and of all meetings of the Directors and committees of Directors.
- Minutes of meetings and resolutions to be entered into minutes book*

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 shall be accepted as prima facie evidence without any further proof of the facts stated therein.

## **AUTHENTICATION OF DOCUMENTS**

139. Any Director or the Secretary 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.
- Power to authenticate documents*
140. A document purporting to be a copy of a resolution of the Directors or an extract from the minutes of a meeting of the Directors which is certified as such in accordance with the provisions of Clause 139
- Conclusive evidence of resolutions and*

shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.

*extract of minutes  
of meetings*

### **SEAL**

141. The Directors shall forthwith procure a Seal to be made for the Company and shall provide for the safe custody thereof. The Seal shall not be affixed to any instrument except by the express authority of a resolution of the Board, and in the presence of at least two Directors or of one Director and of the Secretary or of such other person as the Directors may appoint for the purpose and the Directors and the Secretary or other person as aforesaid shall sign autographically every instrument to which the Seal is so affixed in their presence.

*The custody and  
the affixing of the  
seal*

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

*Official seal for  
use abroad*

143. The Company may also have a share Seal pursuant to Section 63 of the Act.

*The share seal*

### **RESERVES**

144. The Directors may, before authorising any dividend, set aside out of the profits of the Company and carry to reserve or reserves such sums as they think proper, and the sums represented thereby shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may, at the like discretion, be either employed in the business of the Company or invested in such investments (other than shares of its holding company, if any) as the Directors may from time to time think fit.

*Setting aside  
profits*

### **DIVIDENDS**

145. No dividend shall be payable except out of the profits of the Company available and provided the Company is solvent.

*Dividends payable  
from profits only*

146. The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the position of the Company, and may also from time to time, if in their opinion such payment is so justified, pay any preferential dividends which by the terms of issue of any share are made payable on fixed dates.

*Payment of  
dividends*

147. The Directors may authorise a distribution of dividend at such time and in such amount as the Directors consider appropriate, if the Directors are satisfied that the Company will be solvent immediately after the distribution is made. The Company is regarded as solvent if the Company is able to pay its debts become due within 12 months immediately after the distribution is made. If, after, a distribution is authorised and before it is made, the Directors cease to be satisfied on reasonable grounds that the Company will be solvent immediately after the distribution is made, the Directors shall take all necessary

*Distribution only  
if Company is  
solvent*

steps to prevent the distribution being made.

148. The Company in general meeting may declare the dividend to be paid to the members but no larger dividend shall be declared than is recommended by the Directors provided that such recommendation is in accordance with the provisions of the Act for the time being in force and may direct payment of such dividend wholly or in part by the distribution of specific assets and in particular of paid-up shares, treasury shares, debentures, debenture stock of the 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, they may settle the same as they think expedient, and in particular may credit the securities accounts of the allottees with such shares, and may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed, in order to adjust the rights of all parties, and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the Directors.
- Distribution of specific assets*
149. All unclaimed dividends shall be dealt with in accordance with the provisions of the Unclaimed Moneys Act 1965. No unpaid dividends or bonuses shall bear interest as against the Company.
- Unclaimed dividends*
150. (1) The Directors may deduct from the dividends or bonuses payable to any member all such sums of moneys as may be due from him to the Company on account of calls or otherwise.
- Debts may be deducted from dividends*
- (2) The Directors may retain any dividend or other moneys payable on or in respect of a share other than fully paid shares on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- Power to retain dividends on which the Company has a lien*
- (3) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.
- Power to retain dividends in respect of transmission of shares*
- (4) Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid, but no amount paid or credited as paid on a share in advance of call shall be treated for the purposes of this Constitution as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
- Dividends in proportion to amounts paid*
151. Unless otherwise directed, any dividend or bonus may be paid by cheque or warrant sent by ordinary post to the registered address of
- Mode of payment of dividend*

the member whose name appears in the Record of Depositors or by direct crediting or transfer or by such other electronic means of remittance to the bank account provided by member to the Bursa Depository from time to time, payment of which shall be made on the specific date determined by the Directors in accordance with the relevant authorities for the time being in force and the Company shall not be responsible for any loss arising therefrom.

152. (1) The Directors may fix the time that a distribution is payable and the method of payment. A distribution can be paid in cash, by the issue of shares or other securities, by the grant of options and by the transfer of assets to a shareholder. *Directors to determine method of dividend payment*
- (2) Whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary shares of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:- *Dividend reinvestment plan*
- (a) the basis of any such allotment shall be determined by the Directors;
  - (b) the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Constitution;
  - (c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of the election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and
  - (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the

“Elected Ordinary Shares”) and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the Elected Ordinary Shares on the basis of allotment determined as aforesaid and for such purpose (notwithstanding any provision of the Constitution to the contrary), the Directors shall:-

- (i) capitalise and apply the amount standing to the credit of any of the Company’s reserve accounts or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the Elected Ordinary Shares on such basis; or
  - (ii) apply the sum which would otherwise have been payable in cash to the holders of Elected Ordinary Shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the Elected Ordinary Shares on such basis.
- (3) (a) The ordinary shares allotted pursuant to the provisions of Clause 152(2) shall rank *pari passu* in all respects with the ordinary shares then in issue save only as regards to participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.
- (b) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of Clause 152(2) with full power to make such provisions as they think fit in the case of fractional entitlements to ordinary shares (including, notwithstanding any provision to the contrary in this Clause, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the members).
- (4) The Directors may, on any occasion when they resolve as provided in Clause 152(2), determine that the rights of election under that Clause shall not be made available to the persons who are registered as holders of ordinary shares in the Register or the Record of Depositors, as the case may be, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit, and in such event the

provisions of this Constitution shall be read and construed to such determination.

- (5) The Directors may, on any occasion when they resolve as provided in Clause 152(2) further determine that no allotment of shares or rights of election for shares under that Clause shall be made available or made to members whose registered addresses entered in the Register or the Record of Depositors, as the case may be, is outside Malaysia or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlements of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.
- (6) Notwithstanding the foregoing provisions of this Constitution, if at any time after the Directors' resolution to apply the provisions of Clause 152(2) in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that, by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever, it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and as they deem fit in the interest of the Company, cancel the proposed application of Clause 152(2).

#### **CAPITALISATION OF PROFITS**

153. The Company in general meeting may, upon the recommendation of the Directors, resolve that it is desirable to capitalise any undivided profits of the Company not required for paying accrued dividends on any shares carrying a fixed cumulative preferential dividend (including profits carried and standing to the credit of any reserve or reserves or other special accounts), and accordingly that the Directors be authorised and directed to appropriate the profits resolved to be capitalised to the members in the proportions in which such profits would have been divisible amongst them had the same been applied in paying dividends instead of being capitalised, and to apply such profits on their behalf either in or towards paying up the amounts of any, for the time being unpaid on any shares held by such members respectively or in paying up in full unissued shares, debentures or securities 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 one way and partly in the other, and the Directors shall give effect to such resolution.

*Capitalisation of profits*

154. Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriation and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, securities or debentures, if any and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by way of crediting the securities accounts of the allottees with such shares or by payment in cash or otherwise as they think fit for the case of shares, securities or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members interested into an agreement with the Company providing

*Appropriation and allotment*



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

### FINANCIAL STATEMENTS

155. The Directors shall cause true accounts to be kept:- *Accounts*
- (a) of all sums of money received and expended by the Company and the matters in respect of which such receipt or expenditure takes place;
  - (b) of all sales and purchase of goods by the Company; and
  - (c) of the assets and liabilities of the Company.
156. The Directors shall from time to time determine whether and to what extent and at what times and places, and under what conditions or regulations the accounting and other records of the Company or any of them, shall be open to the inspection of members not being Directors, and no members (not being a Director) shall have any right of inspecting any account, book, paper or document of the Company except conferred by the Act or authorised by the Directors. *Inspection of books by members*
157. The Directors shall from time to time, in accordance and in compliance with the provisions of the Act and the Listing Requirements, cause to be prepared and laid before the Company in annual general meeting such audited financial statements and reports/or other information. The interval between the close of a financial year of the Company and the issue of the annual audited financial statements, the Directors' and auditors' reports shall be in compliance with the Listing Requirements. *Financial statements to be made-up and laid before the Company*
158. A copy of the financial statements and reports which is to be laid before the Company in annual general meeting (including every document required by law to be annexed thereto) together with a copy of the auditors' report relating thereto and of the Directors' report, in printed form or in CD-ROM form or in such other form of electronic means or media, shall not more than 4 months after the close of the financial year and not less than 21 days before the date of the annual general meeting be sent to every member, every debenture holders (if any) and every other person who is entitled to receive notices from the Company under the provisions of the Act or of this Constitution. In the event that these documents are sent in CD-ROM form or in such other form of electronic means or media and a member requires a printed form of such documents, the Company shall send such documents to the member within 4 Market Days from the date of receipt of the member's request. *Copies of financial statements and reports to be sent to members etc*
159. The Directors shall have in place a system of internal control that will provide a reasonable assurance that: *System of internal control*

- (a) the assets of the Company are safeguarded against loss from unauthorised use or disposition and to give a proper account of the assets; and
- (b) all transactions are properly authorised and that the transactions are recorded as necessary to enable the preparation of true and fair view of the financial statements of the Company.

### **AUDIT**

- |      |  |   |
|------|--|---|
| 160. | The appointment of auditors and their duties shall be regulated in accordance with the Act.  | <i>Appointment of auditors</i>                                    |
| 161. | Subject to the provisions of the Act, all acts done by any person acting as an auditor shall as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment. | <i>Validity of acts of auditors despite defect in appointment</i> |
| 162. | 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.      | <i>Auditors entitled to attend general meeting</i>                |

### **NOTICE AND DOCUMENT**

- |      |  |   |
|------|--|---|
| 163. | (1) Subject to the provisions of the Act, notice of general meetings of the Company (“Notice”) shall be in writing.  | <i>Notice to be in writing</i>                            |
|      | (2) Any documents, notices, forms, circulars, annual reports, prospectus, information memorandum, abridged prospectus, information or statements that are required to be sent under the Listing Requirements and/or the Act (“Document”) and Notice shall be given to the persons whose name appears in the Record of Depositors and Notice so given shall be sufficient notice to all the holders of such shares. | <i>Persons entitled to receive notices, documents etc</i> |
| 164. | (1) Subject to the Act and the Listing Requirements, Notice and Document shall be given to the members either in hardcopy, electronic form or partly in hardcopy and partly in electronic form.  | <i>Service of notices and/or documents</i>                |
|      | (2) Notice and Document:-  |   |
|      | (a) given in hardcopy shall be sent to any member either personally or by post to the address supplied by the member to the Company for such purpose; or   |   |
|      | (b) given in electronic form shall be transmitted by way of electronic means to the electronic address provided by the member to the Company for such purpose or by publishing on the Company’s website.   |   |

The contact details including electronic address of a member as provided to the Bursa Depository shall be deemed as the

last known address provided by the member to the Company for purposes of communication with the member.

- (3) The Company shall notify a member of the publication of the Notice or Document on the website and such notification shall be in writing and shall be given in hardcopy or electronic form transmitted by way of electronic means including email, short messaging service (“SMS”) or any other form of communication permitted under the Listing Requirements or this Constitution for purposes of written notification.

*Notification of publication of notice of meeting and documents on Company’s website*

- (a) The written notification for Notice shall state:-
- (i) that it concerns a general meeting;
  - (ii) the place, date and time of the meeting;
  - (iii) whether the meeting is an annual general meeting;
  - (iv) the publication of the Notice on the website; and
  - (v) the designated website link or address where a copy of the Notice may be downloaded.

The Notice shall be made available on the website throughout the period beginning from the date of the notification referred to in Clause 164(3)(a) until the conclusion of the meeting.

- (b) The written notification for Document shall state:-
- (i) the publication of the Document on the website; and
  - (ii) the designated website link or address where a copy of the Document may be downloaded.

- (4) The service of Notice and Document in hardcopy to the members of the Company shall be deemed to be served if sent by ordinary post to the member’s last known address as provided by the Bursa Depository and shall be deemed to have been received at the time when the letter containing the Notice or Document would be delivered in the ordinary course of post. In proving service by post it shall be sufficient to prove that the letter containing the Notice or Document was properly addressed and put into a post office as a pre-paid letter. All Notice or Document to overseas securities holders of the Company shall be forwarded by airmail or any speedier form of transmission.

*When notice and document sent by post deemed served*

- (5) Where a Notice or Document is served, sent or supplied by electronic means:-
- (a) to the electronic address of member shall be deemed to have been duly given, sent, served or delivered if there is no written notification of delivery failure and there is record of the email being sent.

*When notice and document sent by electronic means deemed served*

- (b) by making it available on a website, it shall be deemed to have been duly given, sent, delivered or served on the date on which the Notice or Document is first made available on the website or unless otherwise provided under laws.
- (6) In the event of a delivery failure for Notice or Document sent via email, the Company shall immediately send the hardcopy or other appropriate means of such Notice or Document as permitted under the Listing Requirements by way of post, courier or any speedier form of transmission to the affected members. *Alternative in the event of delivery failure*
- (7) A member shall be implied to have agreed to receive such Notice or Document by way of electronic means. However, members are given a right to request for a hardcopy of such Notice or Document and the Company shall forward a hardcopy of such Notice or Document to the member within the prescribed period subject to the Listing Requirements. Such request form with particulars of the Company's facsimile number, electronic address and/or mailing address will be made available on the Company's website. *Implied consent*
165. (1) Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share, shall be bound by every notice which has been duly served to the person from whom he derives the title of such shares, prior to his name and address being entered in the Register of Depositors as the registered holder of such shares. *Person entitled bound by notice*
- (2) Any Notice or Document given, delivered or sent by post in pursuance of this Constitution shall, notwithstanding that such member be then deceased and whether or not the Company has notice of his decease, be deemed to have been duly served in respect of any registered shares, held by such member until some other person be registered in his stead as holder and such service shall for all purposes of this Constitution be deemed a sufficient service of such Notice or Document on his heirs, executors or administrators. *Notice or document to person entitled in consequence of death*

#### **DESTRUCTION OF DOCUMENTS**

166. The Company shall be entitled to destroy all instruments of transfer which shall have been registered at any time after the expiration of 6 years from the date of registration thereof, and all share certificates and dividend mandates which have been cancelled or have ceased to have effect at any time after the expiration of 1 year from the date of cancellation or cessation thereof, and all notifications of change of name or address after the expiration of 1 year from the date they were recorded, and in favour of the Company it shall conclusively be presumed that every entry in the Register which purports to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every share certificate so destroyed was a valid certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the *Company may destroy instrument of transfer etc*

recorded particulars thereof in the books or records of the Company provided that:-

- (a) the foregoing provisions of this Clause shall apply only to the destruction of a document in good faith and without express notice that the preservation of such document was relevant to a claim;
- (b) nothing contained in this Clause shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company but for the provisions of this Clause; and
- (c) reference in this Clause to the destruction of any document include reference to its disposal in any manner.

#### **WINDING-UP**

- 167. If the Company shall be wound-up voluntarily or officially 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 may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding-up on the shares held by them respectively. And if in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the paid up capital, the excess shall be distributed amongst the members in proportion to the capital paid up, or which ought to have been paid up on the shares held by them respectively, provided always that the provisions hereof shall be subject to the rights of the holders of shares (if any) issued upon special conditions. *Distribution of assets*
  
- 168. If the Company shall be wound up (whether voluntarily or otherwise) the liquidator may, with the sanction of a special resolution of the Company, divide among the members in specie or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for that purpose set such value as he deems fair upon any one or more class or classes of property to be divided aforesaid and may determine how such division shall be carried out as between the members or difference classes of members. The liquidation may, with the like sanction vest the whole or any part of any such assets in trustees upon such trusts for the benefit of members as the liquidator shall think fit and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any shares whereupon there is any liability. *Distribution of assets in specie*
  
- 169. On a voluntary winding-up of the Company, no commission or fee shall be paid to a liquidator unless it shall have been approved by members. The amount of such commission or fee shall be notified to all members at least 7 days before the meeting at which it would be considered. *Commission or fee to liquidator*

## INDEMNITY

170. Subject to the provisions of the Act, every Director, Managing Director, Secretary, auditors and other officers or servant for the time being of the Company, and any trustees for the time being acting in relation to any of the affairs of the Company and their heirs, executors and administrators respectively shall be indemnified by the Company against all costs, charges, expenses, losses, damages and liabilities which any such Director, Managing Director, Secretary or other officer or servant may incur or become liable to, by reason of any covenant, contract or agreement entered into or act or deed done by him as such Director, Managing Director or Secretary or other officer or servant in carrying into effect the objects and purposes of the Company or any of them, or in or about any action, suit or proceeding connected with the affairs thereof or otherwise in or about the execution of his office unless the same shall be incurred or occasioned by his own wilful act or default. In particular and without prejudice to the generality of the foregoing, every Director, Managing Director, Secretary, auditors and other officers or servant for the time being of the Company shall be indemnified out of the funds and assets of the Company from and against all liability incurred by him as such Director, Managing Director, auditor, Secretary, officer or servant in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under the Act in which relief is granted to him by the Court.
- Indemnity*

## SECURITY CLAUSE

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

## ALTERATION OF CONSTITUTION

172. Subject to the Act and the provisions of the Listing Requirements (if any), the Company may by special resolution delete, alter or add to this Constitution.
- Company may alter or amend constitution*

## EFFECT OF THE LISTING REQUIREMENTS

173. (1) Notwithstanding anything contained in this Constitution, if the Listing Requirements prohibit an act being done, the act shall not be done.
- Effect of the Listing Requirements*
- (2) Nothing contained in this Constitution prevents an act being done that the Listing Requirements require to be done.
- (3) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).

- (4) If the Listing Requirements require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision.
- (5) If the Listing Requirements require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision.
- (6) If any provision of this Constitution is or becomes inconsistent with the Listing Requirements, this Constitution is deemed not to contain that provision to the extent of the inconsistency.